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In this issue:

Resources and Public Policy
William W. Hambleton

Economic Indicators

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Resources and Public Policy

William W. Hambleton

Dr. Hambleton has been the Director of the Kansas Geological Survey since 1970. **The following article was first published, in slightly different form, in *The Journal: Kansas Geological Survey*, vol. 1, no. 5, Fall 1979.**

Introduction

Individual owners' property rights, deriving from the Magna Charta, were fundamental guarantees of an Englishman's rights and liberties. American colonists, fresh from Parliament's victory of private property rights over royal decree, brought to America a concept of property rights that shaped the actions of colonial legislatures during the 1600s. Americans, for the past 200 years, have considered the concept of property rights, brought by the colonists, to be among their most prized acquisitions from England. The expanse of free land and readily available resources in the West minimized the need for comprehensive land- or resource-use planning and enhanced the concept that ownership of land included the air above and the mineral resources below. The heritage of English law and frontier tradition remains strong, and we vigorously resist government intrusion upon private property by taking or regulation. The United States is virtually the only country in the world where the landowner also owns the mineral rights. The state or the Crown hold all mineral resources in most countries. But one should not become too complacent about this idea, for the federal government holds ownership of approximately 830 million acres, an area equal roughly to that part of the continental United States east of the Mississippi River. Furthermore, an estimated 73 percent of that public land has been withdrawn from mineral exploration by a number of Congressional actions, including the Endangered Species Act and the Wilderness Act. Nevertheless, the concept of private ownership of resources in the United States was well established from English common law.

However, federal and state governments hold powers that constrain private ownership of resources. Specific authority reserved to the federal government under the Constitution derives from the supremacy clause, power to regulate interstate commerce, war powers, the taking of property, and taxing and spending powers. Executive agencies of the federal government have further quasi-legislative functions that require rule making. Agencies are subject to the general principle that Congress can write laws delegating power to them, but cannot delegate power to write laws.

The powers of the states include police power relating to health, peace, morals, education, good order, and the general welfare. Conservation of resources falls under the general welfare, health, and safety doctrines, subject to due process and equal protection. Further powers include taxation and procurement as well as the taking of private property by eminent domain and escheat. Extraterritorial powers relate to the state as a representative of its citizens, known as *parens patriae*, and the ability to enter interstate agreements and compacts, subject to the approval of Congress. A review of how public policy developed along different paths with respect to groundwater and to oil and gas is instructive, and this history both illuminates the present need for policies that recognize the common characteristics of these natural resources and identifies a potential problem with the current direction of public policy.

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Groundwater

Under police powers, water laws were some of the first laws adopted by the states. These were patterned on the riparian, or common law, doctrine of England. Except for navigational waters, all waters of England were privately held, and each owner of riparian land, that is land along a river, owned the bed of the stream that crossed his land and was entitled to have the stream continue to flow in its natural condition. The owner could make certain uses of the water while it was upon his land, so long as the stream remained undiminished in quantity and quality when it left his land. Eastern states generally adopted this doctrine. A different doctrine of prior appropriation came into being in the semi-arid and arid western states, as an expression of concern for scarcity. Because settlement and development were dependent upon successful farming and mining, riparian doctrine was rejected, and a

water right was acquired by diverting water from a water course and applying it to beneficial use. The first persons to appropriate water according to procedures outlined in state statutes, and to put it to a reasonable and beneficial use, had a right superior to any later appropriators. Currently, this right does not exist automatically by virtue of the presence of water flowing upon the land; it is perfected only by use of the water and can be lost by non-use or abandonment. It is a real property right, which can be sold, transferred, mortgaged, or bequeathed, but it differs from a right that attaches to land, for it is a right to use a defined quantity of the resource when available. Thus, it is called a *usufructory right.* There is no absolute ownership in the corpus of the water prior to diversion. **All of the states west of the 95th meridian, which lies approximately at the eastern border of Kansas, have declared the surface waters within their boundaries to be the property of the people of the state.** Interestingly, Congress has consented to this arrangement by ratification of state constitutions.

However, at the time state constitutions and early laws were written, there was little awareness of groundwater, the water occurring in the little spaces between other things below the surface of the ground. Some states adopted the common law or prior appropriation doctrines for groundwater. Other states, including a number of the western states, applied the doctrine of absolute ownership of groundwater, drawing upon the kind of ownership associated with minerals. One western state, Texas, still uses the absolute ownership doctrine of groundwater.

As more knowledge was acquired with respect to groundwater and its fugacious nature, some states modified their statutes to limit landowners to reasonable use and to provide equal rights to a groundwater resource for all other owners of land overlying a common supply. Nebraska holds to this concept.

Some states have adopted the correlative rights doctrine, which requires that the landowner's use must not only be reasonable, but must be correlated with the use of others, particularly during times of water shortage. This doctrine appears to be followed in Oklahoma.

Most western states now use a form of the prior appropriation doctrine. **In Kansas, a prior appropriation doctrine based on common law was followed for surface water and groundwater until 1945, when the Water Appropriation Act was passed.** The Act specifies that the water is dedicated to the people and subject to appropriation by the state for beneficial use. The law was permissive rather than mandatory, and the matter only became a problem if one use impaired another. Recourse could be sought in the courts. Under more recent law, an appropriation right is now mandatory. If one wishes to pump groundwater for other than purely domestic purposes, an application must be filed that specifies the well location, the amount of water to be used, and the beneficial use. The appropriation right is granted if it does not impair another use and if the proposed use is indeed beneficial. However, the statutes do not define impairment, except that there shall be no unreasonable lowering of the water table, nor do they define beneficial use. Failure to use the water can result in loss of the appropriation right.

The average water level in the Ogallala Formation is being lowered about three feet per year, whereas the replacement of the water from rainfall is only about three inches.

Although the concept is based upon a scarcity of water, the appropriation doctrine is satisfactory only as long as demands upon the groundwater are not too great, which is exactly the situation that is developing today. **In Kansas, nearly three million acres are under irrigation, and a large beef and corn industry is based upon that irrigation.** One of the most prolific sources of groundwater is the Ogallala Formation, which also underlies parts of Nebraska, Oklahoma, Colorado, New Mexico, and Texas. In a general way, the average water level in the Ogallala Formation is being lowered about three feet per year, whereas the replacement of the water from rainfall is only about three inches. Public policy is moving in a direction of increased regulation, importation, and water conservation—meaning the avoidance of waste—as the only alternatives to dry-land farming. The terms "regulation," "conservation," and "importation" should have a familiar ring to those familiar with the petroleum industry, but the difference is that alternative energy sources are available to replace petroleum, whereas there are no substitutes for water. **In Kansas, groundwater management districts were created under state law for local management of this scarce resource.** The districts have taxing authority based on acreage and amount of groundwater produced. However, there is increasing recognition that groundwater moves across state lines and that there are interconnections between groundwater and surface water. The federal government, under its commerce clause powers, is looking to new national policy options that could enable it to manage this scarcity.

Oil and Gas

Now let's look at public policy with respect to oil and gas, noting that policy developed because of overabundance. Ownership is based on mining law, and the courts have generally agreed that oil and gas in place are minerals and are part of the land. **When oil and gas are brought to the surface and reduced to actual possession, they are considered personal property in Kansas.** This kind of ownership derives from the Rule of Capture, which grew out of the recognition that oil and gas are fugacious. In other words, you only own it if you can get it. The law recognized that oil and gas might move from underneath an owner's land naturally or because of an adjacent landowner's production. During the infancy of the oil and gas industry, beginning in the late 1800s, there was little other public policy. Oil and gas had little use, and they did not flow on the surface. Hence, there was no need for a riparian doctrine. Not enough oil and gas were produced to cause concern about air or water pollution.

The public interest was recognized first during the early 1900s when some states began to forbid waste. However, the public interest really was aroused with the discovery of the great East Texas Field in 1929. So much oil flowed in commerce and on the ground that the price dropped to five cents a barrel. Some industry members even attempted to ameliorate

economic dislocation by suggesting federal control.[1] Opposition was strong enough that a compromise resulted in the formation of the Interstate Oil Compact Commission in 1935. The Commission had no powers but produced much model legislation at the state level relating to prevention of waste. Not only were conservation practices legislated, but prices were stabilized. Notice again that the public interest related to overabundance rather than scarcity. Following soon were protection of correlative property rights, maximum efficient rates of production, well spacing and unitization, and ratable taking. Protection of threatened fresh water, especially groundwater, occupied the public interest, as did disposal of the large amounts of brine produced with oil and gas.

A depletion allowance, again deriving from mining tax-law, has been characteristic of both state and federal taxes with respect to the oil and gas industry. Philosophically, the depletion allowance recognizes the need for accumulation of capital as a resource is depleted in order that a new resource might be found and developed. Also present in tax law are the severance and ad valorem taxes, which recognize that a resource of value has been produced for resale.

The federal interest originally was constrained to leasing on public lands, to the exercise of the interstate commerce clause with respect to interstate transportation, and to antitrust actions relating to monopoly operations.

In 1906 the Hepburn Act created the Interstate Commerce Commission, wherein pipelines were regulated as common carriers in the interstate transportation of oil and gas. This regulation was relatively innocuous and was concerned largely with approval of pipeline rates. However, the Natural Gas Act of 1938 was much more stringent in that it treated interstate gas pipelines more as public utilities, on the general grounds that a gas pipeline was, in effect, a franchise, and a sole source of supply to the gas distribution system. Under the Act, the Federal Power Commission was given authority to approve interstate pipelines on the basis of cost of service and a limiting return on investment. War powers relating to national security, except during World Wars I and II, were exercised in terms of limiting imports—again an overabundance philosophy—and the creation of naval petroleum reserves.

The Federal Power Commission did not regulate direct pipeline sales, or interfere with local distribution systems, nor did it affect intrastate pipelines.

A major change took place in 1954 in the now famous *Phillips vs. Wisconsin* case. The Supreme Court not only ruled, but also mandated, federal control of natural gas prices at the wellhead for sale to interstate pipelines, again using the public utility concept of cost of funding and production as a basis of price. This decision led to an era of cheap natural gas and its profligate use.

Following the Arab embargo in 1973, the Emergency Petroleum Allocation Act was signed into law under the authority of the interstate commerce clause. Allocation of crude oil and refinery products followed, along with a complex pricing system. The influence of the federal government is now pervasive. These changes have taken place because of transition from domestic overabundance to scarcity. Conservation was foremost in the mind of President Carter when he proposed amendments to the Natural Gas Act that used virtually every constitutional authority of the federal government, including war powers, taxing and spending, taking of property, and extension of the interstate commerce clause to intrastate matters that affect interstate commerce.

Convergence of Public Policy

The common characteristics of groundwater and oil and gas remain concealment below the surface of the land in the little spaces between other things, their fugacious nature, and the special skills required in exploration, drilling, and production. Similar early legal concepts include impairment with respect to groundwater, and correlative property rights with respect to oil and gas. But policy began with different public priorities based on the scarcity of water and the overabundance of oil and gas. Among the other differences, not already discussed, are use of groundwater at the point of capture and little resale of groundwater. However, policy convergence is taking place at a rapid rate in an environment of scarcity for both groundwater and oil and gas. Examples of this convergence are management of a common source of supply by unitization for oil and gas and by groundwater management districts for groundwater; depletion allowance for both; production and severance taxes for both; concern for conservation; and concern for the environment. One sees convergence in the linkages of groundwater and oil and gas. Declining water tables require more and more energy for the lifting of groundwater for irrigation purposes, and the pumps are driven by oil and gas, which are also in short supply. Finally, convergence is taking place in the extension of the authority of the federal government and in the subsequent erosion of the authority of states. This trend is of concern, for there is evidence of the inability of the federal government to manage any large system well, let alone discern local public interest and then articulate this interest in terms of public policy. Political satirist Mark Russell has said that reorganizing the federal government for greater responsiveness is like painting racing stripes on an arthritic camel. Even if Russell is only partly correct, responsible state leadership is greatly needed to reverse this erosion of the state's authority to manage its own resources.

Declining water tables require more and more energy for the lifting of groundwater for irrigation purposes, and the pumps are driven by oil and gas, which are also in short supply.

Footnotes

[1]John G. Clark (Department of History, University of Kansas), in a study of federal responses to energy crises during 1919-1924 and 1973-1975, notes that a U.S. crude-oil deficit peaked in 1920 at 88 million barrels, or 17 percent of total consumption. Although importation of Mexican crude closed the gap, President Coolidge appointed the Federal Oil Conservation Board, which promulgated conservation mechanisms including unit management of oil fields, prorationing of daily allowables, and negotiation of implementation measures with producing states. Ironically, the FOCB, which was not abolished until 1934, responded to the vast over-production of the early 1930s by urging with renewed vigor the adoption of the same policies advocated earlier as a hedge against scarcity (personal communication). Professor Clark's study should bring interesting new insights to this little-known period in the history of petroleum production.

Kansas in June

General Business

During the second quarter of 1980, the United States economy sank deeper into recession: real GNP dropped by 9.1 percent, and the unemployment rate rose by 1.4 percent. As was pointed out in the June issue of *Kansas Business Review*, not all sectors of the economy, all geographic regions, or all socioeconomic groups have been hit equally by the recession—so far. For example, the current recession began earlier than January 1980 for the housing and auto industries. Residential investment has been falling since 1978, and auto production has been dropping since the first quarter of 1979. Production in both of these industries fell about 60 percent during the second quarter of 1980, and, combined, these two industries represented more than 70 percent of the second quarter decline in real GNP. Regionally, the north central industrial states have been the hardest hit— particularly Michigan, Indiana, and Ohio. The unemployment rates for these three states had risen to near or above the 10 percent mark by June 1980 (Michigan, 14.0 percent; Indiana, 11.9 percent; and Ohio, 9.7 percent). Within the labor force, one interesting change which the current recession has created has been the increase in male unemployment relative to female unemployment. From the second quarter of 1979 to the second quarter of 1980, adult male unemployment rose from 4.0 percent to 6.4 percent while adult female unemployment only rose from 5.7 to 6.5. Another notable change in the labor market due to the recession is that, while white unemployment rose to 6.8 percent in June, minority unemployment rose to significantly higher levels: black and other —13.6 percent; hispanic—10.2 percent.

As the recession has matured, its effects have spread to the sun belt. For years, the sun belt has profited from its relative immunity to recession; now, these states' isolation is being penetrated by national influences. Unemployment in Texas rose to 6.0 percent in June 1980, and many areas in the state have a growing unemployment problem. By June 1980, the unemployment rate in San Antonia was 8.2 percent, and El Paso had hit 10.0 percent. New Mexico's unemployment rose to 8.1 percent by June 1980. With the current recession spreading to the heretofore thought immune sun belt, a question arises for Kansans: can Kansas hope to remain free from economic deterioration?

One of the fundamental articles of faith concerning the Kansas economy is its freedom from the cyclical behavior of the national economy. Of course, what is thought of as immunity is only relative immunity. In the past two decades, the Kansas economy has been affected by dramatic changes in the national economy. But the point is that the Kansas economy has only once dipped as low as the national economy, and that was in 1971. Thus, the Kansas economy is thought to be insulated from national economic shifts in a way that most industrial states, such as Michigan and Ohio, are not. It is too early to tell the exact force of the effect of the current recession on the Kansas economy, but it is evident that there has been an effect. An early indicator of a change in the direction of the Kansas economy is the increase in initial claims for unemployment. For the first six months of 1978, there were 51,079 initial claims for unemployment; for the first six months of 1979, there were 51,753 initial claims; and for the first six months of 1980, there were 93,598 initial claims. The first six months of 1980 had approximately 80 percent more initial claims for unemployment than the first six months of 1978 or 1979. A second indicator of a change in the Kansas economy is the increase in the statewide unemployment rate in the first six months of 1980. Historically, the state's unemployment rate has jumped up from December to January and then gradually declined until July. However, this year, after the initial seasonal jump, the unemployment rate continued to increase. By June, the statewide unemployment rate was up to 4.6 percent, 1.7 percent more than the unemployment rate for June 1979. This increase in the unemployment rate means that 57.7 percent more persons are unemployed in June 1980 than in June 1979. However, the 4.6 percent unemployment rate for Kansas in June was still significantly below the 7.8 percent unemployment rate for the nation. (See Table I.)

Employment

Since 1971, nonfarm wage and salary employment in Kansas has steadily increased at an annual rate of 4.3 percent. However, over the past six months, employment in this sector has stagnated. In fact, the June 1980 level of nonfarm wage and salary employment (953.7 thousand)was below the June 1979 level (957.6 thousand). This is particularly disturbing in light of the performance of the Kansas

TABLE I
GENERAL BUSINESS INDICATORS

	June 1980	May. 1980	% change	Avg. Prior 6 mos.	Annual Avg. 1979
Manufacturing					
Average Work Week (hrs.)	40.20	39.80	1.0	40.20	40.70
Average Weekly Earnings (dollars)	293.46	287.75	2.0	288.43	240.99
Initial Claims for					
Unemployment Insurance	17,719.00	16,318.00	8.6	14,730.00	8,082.00
New Incorporations					
In-State For Profit	439.00	557.00	– 21.2	429.00	336.00
Out-of-State For Profit	90.00	99.00	– 9.1	95.00	88.00

Source: Research and Analysis Section
Division of Staff Services
Kansas Department of Human Resources

Kansas Secretary of State

economy during the 1973-75 recession. For Kansas, 1975 was the worst of these years with unemployment staying around the five percent level and several times rising slightly above that level. Yet in 1975, nonfarm wage and salary employment increased 1.4 percent above the 1974 level.

As reported by the Research and Analysis Section of the Kansas Department of Human Resources, the two major industrial sectors which experienced the largest declines in employment from June 1979 to June 1980 were manufacturing (– 8.8 percent), specifically durable goods (– 11.3 percent), and contract construction (– 5.7 percent). There is nothing particularly surprising about these figures. Manufacturing, specifically contract construction and the manufacturing of durable goods, is very sensitive to cyclical changes in the economy. Usually, these two sectors are thought of as leading cyclical indicators. The industrial sectors growing the most from June 1979 to June 1980 were mining (6.4 percent), services (5.9 percent), and the federal government (9.4 percent). The growth patterns in these industries represent historical trends which are, for the most part, independent of cyclical variations. There has been a steady growth in mining employment in Kansas since the first energy crisis in 1974, and the growth in service employment and governmental employment has been consistent throughout the 1970s. (See Table II.)

Regional Employment

The regional employment figures follow the pattern of the statewide employment figures: significant increases in the number of unemployed persons and significant increases in the unemployment rate. The two largest areas, the Kansas portion of the Kansas City SMSA and the Wichita SMSA, experienced sharp increases in the number of unemployed and in the unemployment rate. The unemployment problems in the Kansas City SMSA can be traced, in large part, to the layoffs in automobile production. The Wichita SMSA experience is of more interest because of the appearance of a seeming anomaly. Much of the increase in Wichita's unemployment can be traced to the drop in employment in the aircraft and aircraft parts industry. During the decade of the '70s, the aircraft and aircraft parts industry fueled the recovery of the Wichita economy from its depression in 1970-71. However, since the beginning of 1980, employment in the aircraft and aircraft parts industry in Wichita has fallen by more than 4,000. The anomaly is that, on the national level, the same industry has increased its level of employment by 10,000 from December 1979 to June 1980. This apparent contradiction suggests that Wichita's economic problems are being caused by factors more complicated than commonly thought. (See Table III.)

Retail Sales

National personal consumption expenditures declined by 9.4 percent, in real terms, from the first quarter of 1980 to the second quarter. In Kansas, retail sales, as measured by the retail sales tax, declined by 9.9 during the same time. If these state retail sales figures were put in real terms, the decline would approximately double. The natures of these declines were completely different nationally and in Kansas. Nationally, more than one half of the decline was in purchases of automobile and automobile parts, whereas, in Kansas, the sales of automobiles actually increased slightly. Nationally, only clothing and shoes registered gains, while in Kansas retail sales of apparel declined dramatically.

When comparing second quarter 1979 Kansas retail sales figures with second quarter 1980 figures, it must be remembered that the state's retail sales tax laws were changed in July 1979 to exempt retail sales tax collec-

tions on public utility sales to residential customers. If public utility sales are ignored, then retail sales grew approximately seven percent over the year. However, this figure ignores the effects of inflation. Putting the figures in real terms, retail sales actually declined about seven percent from the second quarter of 1979 to the second quarter of 1980. (See Table IV.)

County Retail Sales

The county retail sales data for this year's second quarter must be treated cautiously as it is unlikely that the county-by-county figures give an accurate picture of sales activity across the state. As the data now appears, 98 of the state's 105 counties registered declines in sales from first quarter 1980 levels, almost two thirds of which were in a double-digit range. The extremity of these numbers is suspicious, and the possibility exists that delays in the processing of tax receipts during the April-June period account for the depressed levels. Given the current recessionary environment and a vague historical precedent (in 1978, second quarter levels were down—some sharply—in 67 counties), the expectation was that the majority of counties would record declines in sales; however, the near universality of the declines and their sharpness appear unnatural even in this context.

The changes in retail sales levels from the June 1979 quarter to the June 1980 quarter also suggest difficulties with the data. Here as well, the contrasts are frequently extreme, and the seemingly random play of double-digit increases and decreases, small gains and small losses does not demonstrate any coherent pattern or trend in sales activity. Only until the county retail sales data appear more secure, will Kansans be able to determine more precisely the behavior of the county sales in the first half of 1980. (See Table V.)

TABLE II
NON-FARM WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

(thousands)

Industry	June 1980	May 1980	% change	June 1979	% change
All Industries	953.7	955.5	– 0.2	957.6	– 0.4
Manufacturing	183.1	187.2	– 2.2	200.8	– 8.8
Durable Goods	117.5	121.5	– 3.3	132.4	– 11.3
Stone, Clay, Glass	8.7	8.8	– 1.1	9.5	– 8.4
Primary Metals	4.0	4.0	0.0	4.3	– 7.0
Fabricated Metal Products	11.2	12.2	– 8.2	14.2	– 21.1
Machinery (incl. elec.)	35.4	36.3	– 2.5	38.1	– 7.1
Transportation Equipment	46.5	48.9	– 4.9	53.6	– 13.2
Aircraft & Parts	41.6	43.3	– 3.9	43.0	– 3.3
Other Durable Goods	11.7	11.3	3.5	12.7	– 7.9
Nondurable Goods	65.6	65.7	– 0.2	68.4	– 4.1
Food & Kindred Products	22.6	22.0	2.7	23.0	– 1.7
Meat Products	8.9	8.5	4.7	8.6	3.5
Apparel	3.6	3.7	– 2.7	3.8	– 5.3
Printing & Publishing	16.9	17.2	– 1.7	17.1	– 1.2
Chemicals	8.7	8.8	– 1.1	8.5	2.4
Petroleum & Coal	4.7	4.6	2.2	4.6	2.2
Other Nondurable	9.1	9.4	– 3.2	11.4	– 20.2
Mining	15.0	14.7	2.0	14.1	6.4
Oil & Gas Extraction	12.7	12.4	2.4	11.6	9.5
Contract Construction	52.5	51.3	2.3	55.7	– 5.7
Trans., Comm., Elec., Gas	66.1	65.4	1.1	66.7	– 0.9
Wholesale Trade	66.1	64.4	2.6	64.7	2.2
Retail Trade	161.1	162.7	– 1.0	163.1	– 1.2
Finance, Insurance, Real Estate	47.2	46.6	1.3	46.3	1.9
Services	174.5	172.6	1.1	164.8	5.9
Federal Government	29.1	28.7	1.4	26.6	9.4
State & Local Government	159.0	161.9	– 1.8	154.8	2.7

Source: Research and Analysis Section
Division of Staff Services
Kansas Department of Human Resources

TABLE III
EMPLOYMENT—UNEMPLOYMENT DATA FOR KANSAS, STATE AND AREAS

Area	June 1980	May 1980	% change	June 1979	% change
Kansas—Statewide					
Civilian Labor Force	1,250,800	1,233,100	1.4	1,241,200	0.8
Employed	1,193,100	1,183,400	0.8	1,204,600	– 1.0
Farm	81,100	69,400	16.9	83,100	– 2.4
Non-Farm	1,112,000	1,114,000	– 0.2	1,121,500	– 0.8
Unemployed	57,700	49,700	16.1	36,600	57.7
Rate	4.6%	4.0%		2.9%	
Lawrence SMSA					
Civilian Labor Force	34,400	35,800	– 3.9	32,700	5.2
Employed	32,700	34,500	– 5.2	31,600	3.5
Farm	1,000	900	11.1	1,100	– 9.1
Non-Farm	31,700	33,600	– 5.7	30,500	3.9
Unemployed	1,700	1,300	30.8	1,100	54.5
Rate	4.9%	3.6%		3.4%	
Kansas Portion of Kansas City SMSA					
Civilian Labor Force	276,700	271,700	1.8	272,200	1.7
Employed	262,100	259,100	1.2	262,900	– 0.3
Farm	1,800	1,500	20.0	1,800	0.0
Non-Farm	260,300	257,600	1.0	261,100	– 0.3
Unemployed	14,600	12,600	15.9	9,300	57.0
Rate	5.3%	4.6%		3.4%	
Topeka SMSA					
Civilian Labor Force	98,400	97,500	0.9	97,800	0.6
Employed	93,300	93,200	0.1	94,000	– 0.7
Farm	2,400	2,000	20.0	2,400	0.0
Non-Farm	90,900	91,200	– 0.3	91,600	– 0.8
Unemployed	5,100	4,300	18.6	3,800	34.2
Rate	5.2%	4.4%		3.9%	
Wichita SMSA					
Civilian Labor Force	230,300	229,400	0.4	224,900	2.4
Employed	219,400	220,200	– 0.4	218,100	0.6
Farm	3,300	2,800	17.9	3,300	0.0
Non-Farm	216,100	217,400	– 0.6	214,800	0.6
Unemployed	10,900	9,200	18.5	6,800	60.3
Rate	4.7%	4.0%		3.0%	

Farm Prices

The prices farmers received for field crops in June were all below the June 1979 prices. However, in the last three months, the prices farmers received for wheat, corn, sorghum, and soybeans have gradually increased. The prices farmers received for livestock and livestock products are significantly lower in June 1980 than a year earlier except for the prices of lambs and milk. In general, for the past year, farmers have faced a declining price structure. Moreover, the prices paid by farmers have increased from June 1979 to June 1980 except for soybean meal and hog concentrate. (See Table VI.)

Financial Activity

Since last fall, the Federal Reserve has altered the focus of its administration of monetary policy by concentrating on a steady growth in the money supply rather than on fixing interest rates. Despite the criticism of some monetarists, the Federal Reserve has, in general, stuck to this course. Interest rates shot up and then down and have now stabilized slightly above the underlying perceived inflationary rate. In Kansas, the level of loan activity dropped substantially the first quarter of 1980 but then returned to nearly the same level as the year previous in the second quarter. However, the three major banking centers in Kansas did not return to the level of loan activity a year ago: Kansas City was down about seven percent, Topeka was down about six percent, and Wichita was down about five and a half percent. In each of the regional banking centers, and statewide, the loan-to-deposit-ratio was substantially lower in June 1980 than in June 1979. This was due, in part, to the lower level of loan activity in the regional banking centers, but the primary cause was the increase in time and savings deposits, except in Topeka. (See Table VII.)

Savings and loan institutions continue to face a depressed situation. Mortgage loans made in June 1980

TABLE III
EMPLOYMENT—UNEMPLOYMENT DATA FOR KANSAS, STATE AND AREAS (Continued)

Area	June 1980	May 1980	% change	June 1979	% change
Barton Co.—Great Bend Area					
Civilian Labor Force	18,075	17,950	0.7	18,200	– 0.7
Employed	17,500	17,500	0.0	17,775	– 1.5
Farm	1,200	1,025	17.1	1,225	– 2.0
Non-Farm	16,300	16,475	– 1.1	16,550	– 1.5
Unemployed	575	450	27.8	425	35.3
Rate	3.2%	2.5%		2.3%	
Crawford Co.—Pittsburg Area					
Civilian Labor Force	16,800	16,850	– 0.3	16,725	0.4
Employed	15,975	16,150	– 1.1	16,075	– 0.6
Farm	1,075	925	16.2	1,100	– 2.3
Non-Farm	14,900	15,225	– 2.1	14,975	– 0.5
Unemployed	825	700	17.9	650	26.9
Rate	4.9%	4.2%		3.9%	
Lyon Co.—Emporia Area					
Civilian Labor Force	17,650	17,900	– 1.4	17,525	0.7
Employed	16,875	17,250	– 2.2	17,150	– 1.6
Farm	1,050	900	16.7	1,075	– 2.3
Non-Farm	15,825	16,350	– 3.2	16,075	– 1.6
Unemployed	775	650	19.2	375	106.7
Rate	4.4%	3.6%		2.1%	
Montgomery Co.—Coffeyville Area					
Civilian Labor Force	21,150	20,975	0.8	22,150	– 4.5
Employed	19,775	19,925	– 0.8	21,600	– 8.4
Farm	775	650	19.2	775	0.0
Non-Farm	19,000	19,275	– 1.4	20,825	– 8.8
Unemployed	1,375	1,050	31.0	550	150.0
Rate	6.5%	5.0%		2.5%	
Reno Co.—Hutchinson Area					
Civilian Labor Force	32,325	32,050	0.9	32,275	0.2
Employed	30,775	30,725	0.2	31,425	– 2.1
Farm	1,700	1,450	17.2	1,750	– 2.9
Non-Farm	29,075	29,275	– 0.7	29,675	– 2.0
Unemployed	1,550	1,325	17.0	850	82.4
Rate	4.8%	4.1%		2.6%	
Riley Co.—Manhattan Area					
Civilian Labor Force	21,600	22,425	– 3.7	21,025	2.7
Employed	20,500	21,450	– 4.4	20,350	0.7
Farm	1,350	1,150	17.4	1,375	– 1.8
Non-Farm	19,150	20,300	– 5.7	18,975	0.9
Unemployed	1,100	975	12.8	675	63.0
Rate	5.1%	4.3%		3.2%	
Saline Co.—Salina Area					
Civilian Labor Force	26,950	26,450	1.9	26,975	– 0.1
Employed	25,475	25,200	1.1	26,125	– 2.5
Farm	900	775	16.1	925	– 2.7
Non-Farm	24,575	24,425	0.6	25,200	– 2.5
Unemployed	1,475	1,250	18.0	800	84.4
Rate	5.5%	4.7%		3.0%	

Source: Research and Analysis Section
Division of Staff Services
Kansas Department of Human Resources

were 63.3 percent lower than the previous year, although the slight increase in mortgage loans made from May to June 1980 brightens the picture slightly. Net new savings in June 1980 were down 89.6 percent from the previous year, and there was a 74.8 percent decline from May to June of this year. With the prospects for the housing industry looking better in the second half of 1980, due in large part to the fact that the housing industry is usually a leader of the economy out of a recession, the savings and loan institutions should fare better in the near future than they have recently. (See Table VIII.)

Consumer Prices

The Kansas City consumer price index for the two-month period ending in June 1980 shows that prices for all items rose 1.6 percent. The increases in prices ranged from a high of 3.1 percent for housing to a low of 0.2 percent for transportation. The remaining gains in prices were in a range from 1.3 percent for other goods and services to 0.5 percent for entertainment. Apparel and upkeep prices fell by 2.1 percent.

Over the year, prices in Kansas City for all items rose by 12.9 percent. As they have all year, transportation and housing prices led the increases (16.7 percent and 15.0 percent, respectively). All other items increased in price as well, ranging from a high of 11.3 percent for medical care to a low of 3.1 for apparel and upkeep. (See Table IX.)

TABLE IV
RETAIL SALES SUBJECT TO SALES TAX BY BUSINESS CLASSIFICATION

(millions of dollars)

Business Classification	June * 1980	Mar.* 1980	% change	June* 1979	% change
Apparel	24.6	36.5	– 32.6	22.7	8.4
Automotive	181.8	181.2	0.3	196.5	– 7.5
Food	232.1	248.8	– 6.7	208.4	11.4
Furniture	38.5	48.0	– 19.8	36.8	4.6
General Merchandise	131.3	186.3	– 29.5	116.7	12.5
Lumber and Building Materials	75.4	86.8	– 13.1	72.2	4.4
Professional and Personal Service	38.1	42.2	– 9.7	33.0	15.5
Public Utilities	53.4	45.5	17.4	111.9	– 52.3
Unclassified	98.1	98.1	0.0	87.2	12.5
Farm and Garden Products	0.9	1.0	– 10.0	0.8	12.5
Manufacturing and Trading	73.8	77.7	– 5.0	59.8	23.4
Miscellaneous	2.5	2.6	– 3.8	1.5	66.7
Total	950.9	1055.3	– 9.9	948.0	0.3

* Monthly Average for Prior Three Months

Source: Research and Planning Section
Kansas Department of Revenue

TABLE V
RETAIL SALES SUBJECT TO SALES TAX BY COUNTY

(thousands of dollars)

County	Sales * June 1980	Sales * Mar. 1980	Change From Mar. 1980 (%)	Sales * June 1979	Change From June 1979 (%)
Allen	4,549	5,457	– 16.6	4,737	– 3.9
Anderson	2,106	2,490	– 15.4	2,225	– 5.4
Atchison	4,243	4,981	– 14.8	4,479	– 5.3
Barber	2,484	2,515	– 1.2	2,159	15.0
Barton	25,052	25,549	– 1.9	18,921	32.4
Bourbon	5,135	5,561	– 7.7	5,073	1.2
Brown	3,035	3,527	– 13.9	3,036	– 0.0
Butler	14,035	15,474	– 9.3	11,746	19.5

TABLE V
RETAIL SALES SUBJECT TO SALES TAX BY COUNTY (Continued)
(thousands of dollars)

County	Sales * June 1980	Sales * Mar. 1980	Change From Mar. 1980 (%)	Sales * June 1979	Change From June 1979 (%)
Chase	677	724	– 6.5	688	– 1.5
Chautauqua	1,134	1,152	– 1.6	933	21.6
Cherokee	3,852	4,381	– 12.1	3,772	2.1
Cheyenne	1,188	1,534	– 22.5	1,161	2.4
Clark	539	640	– 15.8	529	1.9
Clay	2,699	3,332	– 19.0	2,897	– 6.8
Cloud	4,203	4,957	– 15.2	3,878	8.4
Coffey	2,128	2,358	– 9.8	1,921	10.8
Comanche	558	595	– 6.2	536	4.0
Cowley	12,536	14,210	– 11.8	11,165	12.3
Crawford	11,235	12,677	– 11.4	10,732	4.7
Decatur	1,335	1,564	– 14.6	1,357	– 1.6
Dickinson	5,112	6,027	– 15.2	5,147	– 0.7
Doniphan	1,561	1,700	– 8.2	1,691	– 7.7
Douglas	20,060	23,422	– 14.4	19,997	0.3
Edwards	992	1,061	– 6.5	908	9.3
Elk	551	673	– 18.1	679	– 18.8
Ellis	11,630	13,624	– 14.6	11,142	4.4
Ellsworth	1,587	1,776	– 10.6	1,606	– 1.2
Finney	14,573	16,035	– 9.1	13,098	11.3
Ford	12,510	15,206	– 17.7	12,112	3.3
Franklin	5,873	7,222	– 18.7	6,068	– 3.2
Geary	7,858	8,469	– 7.2	7,862	– 0.0
Gove	1,243	1,294	– 4.0	1,208	2.9
Graham	1,469	1,647	– 10.8	1,413	3.9
Grant	3,489	3,726	– 6.4	2,759	26.5
Gray	1,579	1,710	– 7.6	1,480	6.7
Greeley	547	480	14.1	508	7.6
Greenwood	2,623	2,760	– 5.0	2,172	20.7
Hamilton	705	744	– 5.2	686	2.8
Harper	2,561	3,008	– 14.9	2,491	2.8
Harvey	8,666	10,440	– 17.0	8,102	7.0
Haskell	936	990	– 5.4	940	– 0.4
Hodgeman	322	397	– 18.9	383	– 15.9
Jackson	1,978	2,307	– 14.3	2,258	– 12.4
Jefferson	2,286	3,276	– 30.2	2,365	– 3.4
Jewell	807	760	6.2	942	– 14.4
Johnson	112,582	132,913	– 15.3	104,104	8.1
Kearny	644	689	– 6.5	731	– 11.9
Kingman	2,513	2,591	– 3.0	2,124	18.3
Kiowa	1,462	1,375	6.3	1,135	28.7
Labette	6,759	8,261	– 18.2	7,010	– 3.6
Lane	634	773	– 18.0	681	– 7.0
Leavenworth	10,505	11,839	– 11.3	10,519	– 0.1
Lincoln	928	1,035	– 10.4	981	– 5.4
Linn	1,546	1,782	– 13.2	1,553	– 0.4
Logan	1,426	1,649	– 13.5	1,444	– 1.3
Lyon	12,577	13,900	– 9.5	11,987	4.9
McPherson	8,777	10,203	– 14.0	8,732	0.5
Marion	3,304	3,958	– 16.5	3,289	0.5
Marshall	3,442	4,066	– 15.3	3,706	– 7.1
Meade	1,373	1,433	– 4.2	1,239	10.8
Miami	5,462	6,022	– 9.3	4,711	15.9
Mitchell	3,274	3,731	– 12.3	3,050	7.3
Montgomery	14,932	15,829	– 5.7	13,487	10.7

* Monthly Average for Prior Three Months

TABLE V
RETAIL SALES SUBJECT TO SALES TAX BY COUNTY (Continued)
(thousands of dollars)

County	Sales * June 1980	Sales * Mar. 1980	Change From Mar. 1980 (%)	Sales * June 1979	Change From June 1979 (%)
Morris	1,333	1,411	– 5.5	1,214	9.8
Morton	1,165	1,275	– 8.6	1,035	12.6
Nemaha	3,038	3,574	– 15.0	2,643	14.9
Neosho	7,488	8,418	– 11.0	6,347	18.0
Ness	1,798	1,890	– 4.8	1,451	24.0
Norton	1,853	2,237	– 17.2	1,960	– 5.5
Osage	2,855	3,114	– 8.3	2,750	3.8
Osborne	1,660	1,679	– 1.1	1,624	2.2
Ottawa	1,115	1,165	– 4.3	1,073	3.9
Pawnee	2,649	3,107	– 14.7	2,702	– 1.9
Phillips	2,210	2,557	– 13.6	2,212	– 0.1
Pottawatomie	4,142	4,384	– 5.5	3,658	13.2
Pratt	4,989	5,397	– 7.6	4,314	15.6
Rawlins	887	965	– 8.1	835	6.2
Reno	26,457	31,479	– 16.0	24,737	7.0
Republic	1,978	2,351	– 15.8	2,091	– 5.4
Rice	3,015	3,118	– 3.3	2,973	1.4
Riley	13,668	16,461	– 17.0	13,534	1.0
Rooks	3,787	3,601	5.1	2,869	32.0
Rush	1,182	1,337	– 11.6	1,099	7.6
Russell	4,930	5,483	– 10.1	3,808	29.4
Saline	24,460	28,070	– 12.9	23,791	2.8
Scott	2,381	2,475	– 3.8	2,278	4.5
Sedgwick	182,833	208,570	– 12.3	167,077	9.4
Seward	11,761	12,319	– 4.5	10,081	16.7
Shawnee	65,677	74,437	– 11.8	63,984	2.6
Sheridan	998	1,104	– 9.6	970	2.9
Sherman	3,418	4,056	– 15.7	3,494	– 2.2
Smith	1,524	1,758	– 13.3	1,580	– 3.6
Stafford	1,506	1,676	– 10.1	1,385	8.7
Stanton	656	778	– 15.7	570	15.0
Stevens	1,478	1,521	– 2.8	1,292	14.3
Sumner	5,451	6,645	– 18.0	5,252	3.8
Thomas	4,006	4,499	– 10.9	3,807	5.2
Trego	1,325	1,224	8.3	1,280	3.5
Wabaunsee	805	995	– 19.1	985	– 18.3
Wallace	553	551	0.3	596	– 7.3
Washington	1,806	2,229	– 19.0	2,020	– 10.6
Wichita	886	855	3.6	873	1.5
Wilson	2,455	2,745	– 10.6	2,525	– 2.8
Woodson	821	1,065	– 22.9	870	– 5.6
Wyandotte	52,985	60,520	– 12.5	54,814	– 3.3

Source: Tax Research Section
Kansas Department of Revenue

TABLE VI
PRICES RECEIVED BY KANSAS FARMERS
(dollars)

Items	June 1980	May 1980	% change	June 1979	% change	Annual Avg. 1979
Prices Received by Farmers						
Field Crops						
Wheat (bu.)	3.48	3.44	1.2	3.72	– 6.5	3.49
Corn (bu.)	2.59	2.49	4.0	2.77	– 6.5	2.48

TABLE VI
PRICES RECEIVED BY KANSAS FARMERS (Continued)
(dollars)

Items	June 1980	May 1980	% change	June 1979	% change	Annual Avg. 1979
Sorghum (cwt.)	4.00	3.92	2.0	4.25	– 5.9	3.75
Hay (ton)	43.00	43.50	– 1.1	48.00	– 10.4	50.17
Soybeans (bu.)	5.73	5.45	5.1	7.22	– 20.6	6.72
Livestock & Products						
Beef Cattle (cwt.)	61.60	61.20	0.7	68.70	– 10.3	67.82
Calves (cwt.)	75.00	71.30	5.2	91.10	– 17.7	87.14
Hogs (cwt.)	32.60	27.60	18.1	40.20	– 18.9	41.83
Lambs (cwt.)	65.60	62.60	4.8	64.10	2.3	66.18
Sheep (cwt.)	23.00	28.00	– 17.9	29.90	– 23.1	21.15
Milk (cwt.)	12.40	12.60	– 1.6	11.40	8.8	12.24
Prices Paid by Farmers						
Soybean Meal (cwt.)	10.50	10.50	0.0	12.50	– 16.0	12.33
Bran (cwt.)	8.10	8.30	– 2.4	7.50	8.0	7.55
Beef Conc. (cwt.)	9.70	9.70	0.0	9.50	2.1	9.61
16% Dairy Feed (ton)	168.00	162.00	3.7	152.00	10.5	154.50
Hog Conc. (cwt.)	13.00	13.00	0.0	14.00	– 7.1	13.83
Laying Feed (ton)	184.00	184.00	0.0	177.00	4.0	180.75

Source: Kansas Crop and Livestock Reporting Service
Kansas State Board of Agriculture

U.S. Department of Agriculture

TABLE VII
COMMERCIAL BANKING ACTIVITY
(millions of dollars)

	June 1980		May 1980		% change		June 1979		% change	
	All Banks	Member Banks	All Banks	Member Banks	All Banks	Member Banks	All Banks	Member Banks	All Banks	Member Banks
Kansas—Statewide										
Loans	7,693	3,524	7,611	3,553	1.1	– 0.8	7,756	3,553	– 0.8	– 0.8
Demand Deposits	3,955	1,934	3,723	1,877	6.2	3.0	3,975	1,944	– 0.5	– 0.5
Time & Saving Deposits	8,863	3,906	8,787	3,881	0.9	0.6	7,876	3,471	12.5	12.5
Loan-to-Deposit Ratio	60.0%	60.3%	60.8%	61.7%			65.4%	65.6%		
Kansas City (Wyandotte)										
Loans	445	201	459	207	– 3.1	– 2.9	479	216	– 7.1	– 6.9
Demand Deposits	231	106	218	100	6.0	6.0	232	106	– 0.4	0.0
Time & Saving Deposits	607	220	607	220	0.0	0.0	550	199	10.4	10.6
Loan-to-Deposit Ratio	53.1%	61.7%	55.6%	64.7%			61.3%	70.8%		
Topeka (Shawnee)										
Loans	491	259	499	264	– 1.6	– 1.9	523	276	– 6.1	– 6.2
Demand Deposits	290	178	291	179	– 0.3	– 0.6	298	183	– 2.7	– 2.7
Time & Saving Deposits	508	264	551	287	– 7.8	– 8.0	509	265	– 0.2	– 0.4
Loan-to-Deposit Ratio	61.5%	58.6%	59.3%	56.7%			64.8%	61.6%		
Wichita (Sedgwick)										
Loans	1,175	659	1,185	665	– 0.8	– 0.9	1,243	697	– 5.5	– 5.5
Demand Deposits	831	490	784	462	6.0	6.1	767	452	8.3	8.4
Time & Saving Deposits	1,230	582	1,189	563	3.4	3.4	1,095	518	12.3	12.4
Loan-to-Deposit Ratio	57.0%	61.5%	60.1%	64.9%			66.8%	71.9%		

Source: Research Department
Federal Reserve Bank of Kansas City

Institute for Economic and Business Research

TABLE VIII
SAVINGS AND LOAN ACTIVITY

(thousands of dollars)

	June 1980	May 1980	% change	June 1979	% change
Net New Savings	5,200	20,600	– 74.8	50,200	– 89.6
Mortgage Loans Made	50,200	41,300	21.5	136,900	– 63.3

Source: Federal Home Loan Bank of Topeka

TABLE IX
CONSUMER PRICES

Kansas City

Consumer Price Index, June 1980

	All Urban Consumers (CPI-U)			Wage Earners and Clerical Workers (CPI-W)		
		Percent change from			Percent change from	
	INDEX 1967 = 100	2 months ago	1 year ago	INDEX 1967 = 100	2 months ago	1 year ago
ALL ITEMS	247.8	1.6	12.9	246.3	1.7	12.8
Food and Beverages	252.4	1.0	8.0	246.8	1.0	7.9
Food	258.6	1.1	8.1	252.8	1.0	7.8
Food at home	251.1	1.0	7.1	247.2	0.9	7.3
Cereals & bakery products	261.9	0.2	17.4	253.8	1.1	16.4
Meats, poultry, fish & eggs	226.5	-1.9	-2.1	227.8	-1.6	-2.5
Dairy products	234.9	2.0	6.7	233.5	1.5	6.3
Fruits and vegetables	263.4	5.7	11.0	248.0	4.6	12.2
Other foods at home	293.9	1.8	11.5	291.6	1.8	13.5
Food away from home	280.9	1.2	10.2	270.9	1.2	9.1
Alcoholic beverages	193.5	0.7	5.4	190.1	0.9	7.7
Housing	264.6	3.1	15.0	261.9	3.4	14.2
Shelter	288.7	1.3	16.8	285.6	1.4	16.1
Rent (residential)	162.4	4.1	8.5	162.4	4.1	8.5
Other rental costs	NA	NA	NA	NA	NA	NA
Homeownership	334.4	0.9	18.3	330.3	1.1	17.5
Fuel & other utilities	265.3	14.8	10.7	267.5	14.7	11.3
Fuels	355.3	19.9	13.9	357.0	19.3	14.6
Fuel oil, coal, & bottled gas*	166.1	0.2	40.2	176.0	0.2	44.0
Gas (piped) & electricity	354.6	21.1	12.8	354.6	21.1	12.8
Household furnishings & oper	201.5	1.9	11.3	197.4	2.0	9.3
Apparel & Upkeep	181.0	-2.1	3.1	174.9	-1.9	3.2
Men's & boys' apparel	194.6	-1.9	4.5	196.5	-2.0	7.6
Women's & girls' apparel	166.0	-2.2	1.2	143.2	-5.3	-7.3
Footwear	185.6	-2.1	-0.5	190.6	-1.0	7.1
Transportation	245.6	0.2	16.7	247.5	0.2	17.0
Private transportation	248.0	0.1	16.5	250.1	0.1	17.0
Public transportation	194.6	2.3	20.3	190.4	2.2	17.7
Medical Care	259.8	1.0	11.3	258.4	0.4	10.1
Medical care services	281.3	0.6	11.5	279.4	0.1	9.8
Entertainment	187.2	0.5	10.2	199.1	1.2	16.8
Other Goods & Services	216.1	1.3	8.8	220.9	2.0	8.3
ALL ITEMS (1957-59 = 100)	294.2			292.4		

* June 1978 = 100

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KANSAS BUSINESS REVIEW

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Leslie Nay

The Kansas Economy

Economic Indicators

Institute for Economic and Business Research, The University of Kansas

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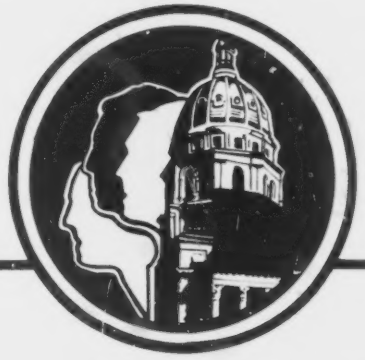
A Labor Market Profile of Topeka

Leslie Nay



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Introduction

This article reports the findings and implications of a study that investigated the relationship between the demand for and the supply of labor in Topeka *and* the level of wages and employment in the city. The study's primary purpose was to test the competitive theory of the labor market which asserts that the amount of compensation for labor and the rate of employment are determined by the labor supply and demand conditions within the specific market. To accomplish this purpose, an econometric model based on the forces affecting supply and demand was developed and then applied to the Topeka labor market. In addition, two other factors—identified as institutional factors, e.g., the wage level in Kansas City and the percent of union non-agricultural employment—were analyzed to assess their influence, if any, in this market. (For a more detailed account of the model, please see the technical appendix.)

That such a study is important to all Kansans, and not just to Topeka residents who have, of course, a vested interest in their city's economic well-being, can be argued on the basis of two related reasons. First, the application of the methods of mathematical statistics to the problems of economics—the discipline of econometrics—for a substate area is shown by this study to be a reasonable tool that city-planners and policy-makers can use to both analyze and, to a degree, predict the behavior of the labor market in their area. Thus, upon use of this tool, city planners should be able to implement policies directly relevant to their particular situations—policies that redress weaknesses in the labor market and/or that exploit the market's strengths as they are identified by this kind of research. Second, the overall issue of employment levels in Kansas is highly significant. Historically, Kansas has had lower unemployment rates than the nation, which indicates that the state and substate areas like Topeka operate within a relatively "tight" labor market. Although the economic advantages of a low unemployment rate are obvious, the subsequent "tightness" of the market has created problems that currently afflict Kansas. Governor Carlin has called the shortage of skilled workers in the state a serious problem, and one of the principal targets of his economic plans for the last two years has been increased training for the unemployed and under employed. Thus, it would seem that public or privately sponsored programs to alleviate these problems would be wise responses; however, such programs could also have the effect of creating an excess supply of labor, the consequences of which would be the loss of those benefits associated with high employment coupled with the destructive effects of a higher unemployment rate. Again, the point is that policy-makers must respond to the reality of the labor market and must have the means to be able, at the very least, to make educated, informed decisions regarding the consequences of trying to manipulate that market. The findings of this study, as reported below, clearly focus upon these concerns.

The following sections of the article recount (1) the major findings of the study, (2) the implications for public policy arising from the results of the study, and (3) suggestions for future research.

Summary of Findings

In general, the competitive labor market theory is supported by this study. The fact that none of the institutional variables improved the model also supports this conclusion.

Within the econometric model itself, those influences that were found to be

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statistically significant constitute the study's major findings. Specifically, all of these significant variables represent determinants of the supply of labor. Thus, it appears that supply forces seem to dominate variations in wages and employment over demand factors or human capital factors for the time period studied. For instance, the age variable, which represents the percent of the population within the "working age," was the most significant variable, and the results indicate that even a small decrease in this variable would lead to large increases in wages over the sample time period.

Similarly, net migration also has a significant and positive relation to employment. This result is consistent with Greenwood's (1975) hypothesis and subsequent finding that "inmigration is expected to increase the locality's level of employment, while out-migration is expected to reduce the level." Thus, even though the characteristics such as age, skills, and work experience of inmigrants were not analyzed in this study, net inmigration into the Topeka area does lead to an increase in employment. In other words, an increase in the potential supply of labor will result in employment growth for the area.

The significance of the unemployment rate variable in both the wage and employment equations, particularly in combination with the high inelasticity of wages, provides further support for the finding that supply forces dominate the market. The implications of unemployment in a local labor market deserve elaboration. Unemployment generally reflects an excess supply of labor. However, because of Topeka's low unemployment rate, it appears that the city's demand for labor is sufficient to absorb most of the labor supply and that demand would increase to meet increases in labor supply.

However, this idea that supply creates its own demand is true in a very limited sense. Business interests looking for locations to place new investments (factories, offices, etc.) must have some indication of the availability of labor in each of the potential investment areas. Those areas with sufficient labor supply and availability of labor have obvious advantages over areas that do not. In this sense, supply creates its own demand. That is, areas with an adequate labor supply will attract demand for that labor from firms that fail to find labor availability elsewhere. This has been, apparently, the case for the Topeka labor market. At first glance the "tight labor market" situation in Topeka indicates only enough labor supply to match the current demand for labor. It is the task of policy decision-makers to show that Topeka has the potential to provide an adequate supply of labor despite the "tight" situation now. Policies addressing this problem are discussed later. In so far as policy tools can increase the effective labor supply, demand for that increased labor supply will be forthcoming. Such an increase in the Topeka labor supply would also have an effect on the wage level but not, perhaps, the expected effect. In a competitive labor market, an excess supply of labor, in the short run, would tend normally to depress the wage level; that is, workers seeking employment would have to reduce their wage demands. However, the wage inelasticity in the Topeka labor market was found to be quite high in relation to changes in the unemployment rate. Thus, given a "tight" labor market, the market clears at the going wage rate over the long run, requiring adjustments in other aspects of the market such as hiring standards, labor quality, and fringe benefits.

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Several explanations can be offered for the statistical nonsignificance of the institutional variables. First, Kansas is one of nineteen states that have a "right-to-work" law, which prohibits the union-shop form of union security. Second, the composition of industries in Topeka (see Table 1) indicates that the majority of employment in Topeka is in government, services, and trade. These are industries which historically have not been heavily organized. A third possible explanation might be the rural or small-town background of some of the workforce. Workers from such a socio-economic environment are not as inclined toward union membership as persons from a large urban area, particularly when that inclination is coupled with the legislative environment. Thus, while other institutional factors may be at work in the Topeka labor market, such as discrimination by employers or government regulations, the institutional forces measured in this study do not appear to play a significant role in this market.

One problem inherent in the application of econometric techniques to substate models is the lack of annual time-series data at the SMSA level, particularly for small SMSAs such as Topeka. In the present study, this problem necessitated the estimation of some of the data, a step which obviously implies that the data and subsequent results may deviate from the true conditions of the market. On this problem, Klein (1971), a noted econometrician, has said:

> Despite the recent advances in dealing with small sample distributions of estimators . . . these problems are not fully under control. . . . In some simple and specialized cases, small-sample distributions have been obtained. These are all too infrequent and limited. This is one of the most challenging areas from a mathematical point of view. The fact that some results have been obtained should encourage much further research on this problem.[2]

A second limitation of the study, and one that is closely related to the first, is the necessary use of proxy variables. Due to the limited amount of data, it was often necessary to develop "real world" equivalents to theoretical constructs. For instance, data on labor-force participation would have

been preferable to the establishment-based data as a measure of employment, but such data does not exist on a time-series basis for the Topeka SMSA. Similarly, data on the level of unionization in Topeka would have been preferable to data at the state level, but, again, this data does not exist.

Implications for Public Policy

The finding of this study that supply forces appear to dominate the labor market in Topeka has significant implications for public policy, and these implications can be understood best if one considers that the supply of labor is a matter of quality as well as quantity. Specifically:

> The supply of labor is a compound of population available (through reproduction and migration) and its capabilities, hours of potential effort, and intensity of effort. For the individual, supply in hours is related to the wage rate adjusted for changes in commodity prices.[3]

Thus, labor supply is made of several components, and each component suggests a number of policies that may be targeted.

The first and most basic component of labor supply identified above is the population available, as affected by reproduction and net migration. While policies aimed at reproduction are not a viable alternative, policies aimed at simply increasing the labor population are possible to a certain extent, particularly those aimed at migration. Given the significance of the net migration variable, the implementation of policies designed to attract more people into the Topeka area would potentially serve to stimulate employment and economic growth. Along with attracting more people from other states or areas, another policy response might be something as simple as improving public transportation systems to better serve people who live in remote areas or areas not currently served by public transportation and who may have difficulty getting to the locations of available jobs.

Another component of labor supply is hours of potential effort. Broadly interpreted, this component reflects

Table 1
Employment By Industry
Topeka SMSA, Kansas, U.S.
1950-1970

	Topeka SMSA		Kansas		United States	
	Number	%	Number	%	Number	%
1950 Total	52,278	100.0	721,008	100.0	57,474,871	100.0
Agriculture	6,807	13.0	166,376	23.1	7,194,510	12.5
Mining	160	.3	14,966	2.1	941,308	1.6
Construction	3,654	7.0	51,513	7.1	3,524,414	6.1
Manufacturing	6,435	12.3	90,155	12.5	14,785,705	25.7
Trans., Comm., Utilities	7,531	14.4	69,417	9.6	4,503,287	7.8
Trade	10,318	19.7	139,946	19.4	10,742,919	18.7
Finance	2,142	4.1	20,629	2.9	1,941,355	3.4
Services	11,382	21.8	125,081	17.3	10,282,119	17.9
Government	4,353	8.3	42,925	6.0	3,559,254	6.2
1960 Total	64,867	100.0	817,588	100.0	66,372,649	100.0
Agriculture	3,902	6.0	107,269	13.1	4,524,874	6.8
Mining	111	.2	14,870	1.8	669,862	1.0
Construction	4,787	7.4	50,510	6.2	4,025,758	6.1
Manufacturing	6,847	10.6	134,067	16.4	18,025,678	27.4
Trans., Comm., Utilities	7,891	12.2	69,252	8.5	4,625,000	7.0
Trade	11,867	18.3	161,688	19.8	12,306,315	18.5
Finance	3,030	4.7	30,528	3.7	2,790,468	4.2
Services	15,218	23.5	177,890	21.8	14,212,955	21.4
Government	11,214	17.3	71,514	8.7	5,011,739	7.6
1970 Total	75,029	100.0	899,824	100.0	79,307,880	100.0
Agriculture	2,286	3.0	76,589	8.5	2,916,430	3.7
Mining	92	.1	10,265	1.1	631,918	.8
Construction	4,868	6.5	51,669	5.7	4,587,115	5.8
Manufacturing	10,171	13.6	149,762	16.6	20,019,822	25.2
Trans., Comm., Utilities	7,831	10.4	64,784	7.2	5,197,020	6.6
Trade	14,047	18.7	190,111	21.1	15,607,900	19.7
Finance	4,490	6.0	40,303	4.5	3,848,101	4.9
Services	20,460	27.3	237,873	26.4	20,292,557	25.6
Government	10,784	14.4	78,468	8.7	6,207,017	7.8

Source: *Kansas Employment by Industry*

both the decision to participate at all and, subsequently, the decision as to how much time to devote to market work. Labor force participation is a complex phenomenon, and it varies among different groups within the population, such as married women, prime-age males, older people, younger people, and minorities. Moreover, the determinants of labor force participation also vary among these groups, so it is difficult, at this stage, to recommend specific policies. However, what can be recommended is further empirical investigation of this issue to determine if any institutional barriers exist that prevent certain groups from participating as much as they would like. For instance, in the case of married women with children, a lack of low-cost child care facilities might be preventing some women who would like to work from doing so. Another example might be that discrimination and/or language problems prevent minorities from participating as much as they would prefer. Thus, particular policies aimed at these aspects of labor supply could be based on results from further investigations.

As far as hours of work are concerned, alternatives for public policy are somewhat limited. In many cases, labor-force participation and hours of work are jointly determined. That is, once an individual decides to participate in market activities, his/her hours are mostly regulated by the employer and are usually fairly stable. However, in the case of employment that does involve irregular hours or highly seasonal work, such as agriculture and construction, some attempt at regulating the hours of work might be an option, if feasible. Again, however, this is a complex issue and would require further investigation.

Finally, the last component of the supply of labor is the capabilities of the population, along with the intensity of effort. It is within this component that the role of public policy has the most influence. The capabilities of the population refer to its level of education as well as to its composition of various skills. These qualities are also referred to as the amount of human capital invested in the population. Within this context, the implications for public policy are numerous. Certainly, one of the most obvious and significant is the role of employment and training programs. Manpower programs have the potential to improve economic opportunities for both the individual and community, provided they reflect and serve the needs of the labor market. The training should address, for instance, certain skills that may be in short supply, or provide more opportunities for on-the-job training, or aim at particular disadvantaged groups within the population. Outreach, assessment, counseling, and remedial education may be needed, as well as supportive services such as employment-related child care, training allowances, and so on. Educational policies are also an important aspect of this component of labor supply, particularly vocational education and programs that ease the school-to-work transition. Finally, the "intensity of effort" aspect of this component can be interpreted as meaning the productivity of the work force, and potential public policies could range from improving working conditions to modifying public-health policies, and even to altering tax structures to provide incentives for firms to invest in capital that increases human productivity.

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Suggestions for Future Research

Although the model developed in this study was relatively basic and elementary, it is definitely a strong foundation and a solid starting point for further development and refinement. In spite of data limitations, this study supports other research efforts in econometric modeling at the sub-state level and shows that econometric modeling can be successfully applied even to fairly small SMSAs.

Suggestions for future work on this particular model stem from the research efforts on small area econometric model building of Glickman (1977), Taylor, et al. (1977), and others.[4,5] The first suggestion would be to redefine some of the variables using more specific categories. For instance, it might be beneficial to break the employment variable into categories of manufacturing employment, government employment, and other nonmanufacturing employment, similar to the methodology used by Greenwood (1975). Similarly, it might prove helpful to disaggregate the net migration in the Topeka labor market; it might also be enlightening to go into more detail as to the characteristics of both outmigrants and inmigrants, if data are available that would allow such detailed study.

It would also appear beneficial to refine the human capital variables used in this study. For instance, while the age variable used in this study was statistically significant, it was really more a measure of labor supply than human capital. It would be interesting to disaggregate this variable in such a way that it would reflect measures of human capital such as previous labor-force participation and work experience or training. Moreover, while this study used the .05 level of significance as the cutoff, the education variable would have been significant had the .10 significance level been used. This revision suggests the importance of human capital variables within the Topeka labor market, and this line of research should be pursued.

In a somewhat different vein, another approach to the improvement and refinement of this model would be to incorporate some aspects of a descriptive or case-study methodology along with the econometric method. For instance, it would be extremely beneficial to survey or interview employers, workers, and policy-makers to get a more intimate feel of how the Topeka market works as well as of the perceived problems and economic plans within the market. Comments, needs, ideas, and suggestions from these three groups of labor-market participants could then be empirically investigated to improve the understanding of how the Topeka market works. While data collected from government documents and other publications provide a statistical picture of Topeka, they are of limited help in pointing out the nature and character of the market in more personal terms such as unmet needs of certain types of labor supply, or possible institutional barriers such as discrimination, or even variables like a lack of adequate public transportation or low-cost child care facilities. Thus, a blend of descriptive and statistical methodologies would quite likely

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improve the model and, therefore, the understanding of the Topeka labor market.

Finally, there is one last suggestion for future research on this model. While the purpose of this study was to test the competitive theory of a labor market by applying an econometric model designed specifically for that purpose, it is important that research not stop there. Indeed, one of the major purposes of econometric modeling is to provide a tool for forecasting economic activity. Thus, modifications of the model, including but not limited to the suggestions discussed above, could be made to allow the model to serve as a forecasting tool for both public- and private-sector planners and policy-makers. In addition, the model could be used in simulation experiments to determine the impact of various public policy issues such as those related to energy shortages, public service employment and other manpower programs, revenue sharing, and city tax policies, to name but a few.

These are but a few suggestions for future work on this model in particular and on labor-market modeling in general. The primary purpose of this research—the testing of the competitive theory of the labor market through the construction of an econometric model—has been achieved with reasonable success. Further research and refinement of the model will undoubtedly improve the model with respect to its original purpose and also broaden its applicability to other uses. In short, the model developed in this study has the potential not only to analyze the labor market in sub-state areas like Topeka but to provide a tool for planning and forecasting as well.

Footnotes

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4. Glickman, N.J. *Econometric Analysis of Regional Systems* (New York: Holt, Rinehart and Winston, Inc., 1970).

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Technical Appendix

The model of a competitive labor market developed for this study was derived in two stages. In the first stage, the theoretical model was proposed, consisting of two equations representing the theoretical determinants of demand for and supply of labor. In the second stage, the econometric model was specified, based on the theoretical model. The dependent variables within the econometric model are wages and employment, and are defined in terms of twelve independent variables. Specifically, the econometric model is of the following form:

(1) W = f(E, AWH, EDUC, PRODCHG, ENEMPRT, EMPCHG, VALADD, CAPEXPD, A, PRODGHG)

(2) E = f(W, AWH, EDUC, PRODCHG, UNEMPRT, WAGCHG, VALADD, CAPEXPD, RETSAL, NETMIG)

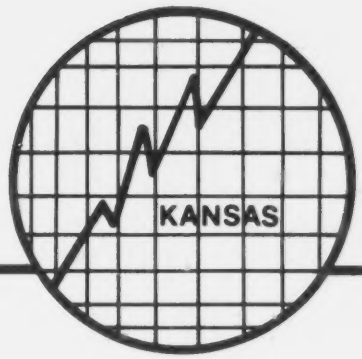
where, W = Wage rate
E = Employment
AWH = Average weekly hours
EDUC = Education (median years of school completed)
PRODCHG = Percent change in productivity
UNEMPRT = Unemployment rate
EMPCHG = Percent change in employment
CAPEXPD = Capital expenditures in manufacturing
RETSAL = Retail sales
NETMIG = Net migration
POPCHG = Percent change in population
WAGCHG = Percent change in wages
VALADD = Value added per worker in manufacturing
A = Age (percent of the population between 16 and 65 years)

The area of analysis was the Topeka SMSA, which consists of Jefferson, Osage, and Shawnee counties. The model was estimated for the time period 1950-1978.

Institutional Factors

In the second run of the model, two institutional factors were added to assess their role in wage determination in the Topeka labor market. The first introduced the wage level in Kansas City and a one-year lag for Topeka wages, in order to determine if wages in Topeka are, in effect, keying off the wage level in Kansas City. The second institutional factor is the percent of nonagricultural employees who were union members during the sample period in the state of Kansas, which serves as a proxy for the Topeka market.

The Kansas Economy



General Business

The sharp plunge the national economy took in the second quarter of 1980 (a 9.6 per cent drop in real GNP) halted in July as the recession bottomed out. The initial third-quarter 1980 estimate for real GNP showed a 1.0 percent increase. This number will be revised several times; however, any increase in GNP which is only near the 1.0 percent mark does not represent a sharp rebound by the economy from the recession.

Other evidence of the economy's sluggish behavior following the recession include: high interest rates, inconsistent behavior of durable goods orders, and the slow recovery of factory output. Considering the present location of the economy on the business cycle, interest rates are inordinately high, and industries which are sensitive to interest rates fluctuation —particularly the auto and housing industries—are expected to face depressed demand for their goods due to the high interest rates. For example, new housing starts increased 9.0 percent in September, but in the fourth quarter they are expected to drop slightly. Durable goods orders increased 11.3 percent in July and 8.1 percent in September; however, they dropped 3.4 percent in August. This inconsistent behavior on the part of durable goods orders indicates that the economy has stopped its sharp descent into chaos but has yet to begin a strong, sustained recovery. The industrial production index rose in both August and September, and the 1.0 percent increase in the September index represents the largest single month jump since May 1979. However, after past recessions, the index has generally increased at a faster rate. After the 1974-1975 recession, the index generally jumped two to three percent per month. All of this evidence points to an economy which has stopped declining but has not begun its recovery yet. Most economists do not expect the recovery to begin until the early part of 1981.

The Kansas economy has also experienced a decline in economic activity during 1980. Initial claims for unemployment are 73 percent higher for the first eight months of 1980 than they were for the first eight months of 1979. The unemployment rate has been edging up as compared to a year ago, and for the past three months it has been at least 1.5 percent higher than for the previous year. The absolute number of employed persons has dropped below the figure for a year ago in each of the last three months. All this data point to a recession for Kansas. But the word recession when used in reference to the Kansas economy must be understood in a relative sense. The level of unemployment in Kansas for the month of August was 4.2 percent, significantly higher than the 2.7 percent of a year ago for Kansas, but dramatically below 7.6 percent for the national level of unemployment in August. In other words, the Kansas economy is in better shape than the national economy. It appears that the current downturn in the Kansas economy is merely an echo of the national business cycle.

The immediate future of the Kansas economy is clouded because of the ambiguous signs given by the latest data. On the optimistic side, unemployment is dropping, and hiring in the aircraft industry in Wichita picked up in August. The increased employment in the aircraft industry in Wichita is particularly noteworthy because of the importance of that sector of the economy on the whole economy of Wichita and because over 20 percent of the nonfarm wage and salary employment in Kansas is in Wichita. Finally, the sharp increases in crop prices in the past few months should also help the state's agricultural industry. On the pessimistic side, initial claims for unemployment remain high for Kansas, although not as high, relatively, as earlier this year. Initial claims for unemployment in July and August were 52 percent higher in 1980 than 1979. Also, the average manufacturing workweek is still below a year ago, although it rose significantly in August. As with the national economy, the Kansas economy appears to have halted its decline, but a quick rebound is probably not in the picture.

Employment

The employment situation in Kansas had deteriorated since last February. In May, total nonfarm wage and salary employment dropped to about the level of May 1979, and, since May, monthly employment has been below the 1979 employment levels for the same month. This phenomenon is in direct contrast to the employment pattern established over the past eight years. Since 1971, nonfarm wage and salary employment in Kansas has steadily increased at an annual rate of 4.3 percent. Even in 1975, the worst of these years with unemployment rising to above the 5.0 percent level several times during the year, nonfarm wage and salary employment increased 1.4 percent above the 1974 level.

The industrial sector of the Kansas economy which has turned down the most is manufacturing. Employment in

manufacturing was 8.5 percent higher in August of 1979 than in August of 1980 which continues a trend that began in the spring of this year. Employment in durable goods manufacturing has suffered more (down 10.7 percent from a year ago) than employment in nondurable goods manufacturing (down 4.6 percent from a year ago). This phenomenon—the decline in manufacturing employment, particularly durable goods manufacturing employment—represents a response to the national business cycle rather than any structural change in the Kansas economy. Besides manufacturing, the only employment sector to show a significant decline in employment from a year ago is the construction industry (down 10.7 percent), and this decline also fits into the pattern of the national business cycle. Thus, the summer employment situation in Kansas suggests that the national downturn has affected certain sectors of the Kansas economy but that Kansas should fare much better than the rest of the national economy because of the high level of growth it has experienced in the past eight years and the diversity of the Kansas economy.

Regional Employment

Statewide, the unemployment rate dropped slightly from June to July of this year and then again from July to August. The drop in the unemployment rate reflected the fact that the number of unemployed persons was declining faster than total employment was declining. The same pattern held for most of the regional areas in Kansas. Two SMSAs were exceptions: the Kansas portion of the Kansas City SMSA experienced a slight increase in the unemployment rate from July to August, and the Topeka SMSA experienced an increase in the unemployment rate of less than 0.1 percent during the same time period. Two other notable exceptions to the basic trend in Kansas employment were the Coffeyville area and the Hutchinson area. The Coffeyville area experienced a drop of 21.8 percent (or 300 persons) in the number of unemployed for August from July. The Hutchinson area has experienced a sharp increase in unemployment this summer due to layoffs in the durable goods industry, specifically Cessna, which announced layoffs of up to 800 employees. By August, the unemployment rate had reached 7.0 percent for the Hutchinson area.

Retail Sales

Nationally, retail sales rose significantly in July and August after having slumped last spring. This same phenomenon also occurred in Kansas. Retail sales in Kansas jumped 18.6 percent from the three months ending in May to the three months ending in August. The national slump in retail sales was mild in all sectors except automobile sales which fell well over 50 percent from the first quarter of 1980 to the second quarter. Automobile sales did not drop as much in Kansas as they did in the rest of the nation, but they have been running about 5.0 to 7.0 percent below last year's level, and, when inflation is considered, a 5.0 to 7.0 percent drop means almost a 20.0 percent drop in constant dollars. The only other sector of the Kansas retail sales to experience a significant decline in sales was lumber and building materials which were running about 5.0 percent below last year. This drop also reflects the recession which began in housing and automobile sales. (When comparing monthly averages for the previous three months for August of 1980 and August of 1979, it must be remembered that the state's retail sales tax laws were changed in July 1979 to exempt retail sales tax collections on public utility sales to residential customers.)

Retail Sales by Region

All Kansas counties but one showed an increase in retail sales during the period of May 1980 - August 1980. This movement represents an upswing in the declining trend of the year's first four months. Of the state's 105 counties, all but six had increases in retail sales greater than the rate of inflation.

The counties with greatest gains seem to be concentrated primarily in the west-central and north-west portions of the state. Counties experiencing the lowest increases were concentrated in the extreme eastern section of the state and also in the southern sections. This pattern reflects the fact that areas of larger population are recovering more slowly from the recession.

The yearly change in retail sales for the period of August 1979 - August 1980 shows the effect of the recession last spring. Only 29 of the 105 counties had increases in retail sales during this period that were more than the rate of inflation. Seventy-four percent of the counties had a decrease in retail sales or an insignificant increase for this period.

Farm Prices

A 16.7 percent increase in the market price of hay, from $48 a ton in July to $56 a ton in August, led a series of increases in the latest crop-price figures. That big price jump, 21.7 percent over August 1979 prices, reflects 1980's low hay production level. The U.S. Department of Agriculture reports that 1980 hay production, down 15 percent from last year's record level, is the fourth smallest in the past 15 years.

Corn and sorghum prices, two of the crops hardest hit by the summer's heat and drought, also showed big price increases over the 1979 level. The forecast for U.S. production of corn was expected to be down 16 percent from 1979, and sorghum production may drop 33 percent. Corn prices were up 19.2 percent over 1979 to $3.10 a bushel, and sorghum rose 24.6 percent to $5.06 a hundred weight.

Wheat and soybean farmers, however, did not reap as big a summer price gain. August wheat prices were up 3.0 percent to $3.78 a bushel over 1979, and soybeans rose just 2.7 percent to $7.24 a bushel. However, soybean prices may go higher; production is projected to be down 19 percent over 1979 levels, and the U.S.D.A. says prices may rise to $9.45 a bushel.

Farmers were feeling the results of higher crop prices at the buying end, too. Prices paid were up for August as compared with July 1980 and with August 1979. Soybean meal prices did not change over last year but were up 13.0 percent over July. Bran took the biggest jump, 11.0 percent, over last year to $8.10 a hundred weight. As compared with 1979, laying feed rose 8.1 percent, beef concentrate rose 7.1 percent, 16 percent dairy feed rose 10.8 percent, and hog concentrate rose 3.6 percent.

Livestock prices failed to keep pace with grain prices in August. Hogs showed the most notable rise with an

August price of $45.60 a hundred weight, 12.9 percent higher than in July and 23.2 percent higher than in August 1979. Other livestock prices increases were considerably more moderate. Beef cattle were up 1.7 percent in price from July but still were 17.2 percent behind the August 1979 level; sheep rose 8.6 percent over July but lagged 37.2 percent from August last year. Milk prices remained steady from July to August but were up 17 percent over 1979. Lamb prices fell 1.8 percent from July, although they still were 8.7 percent above the August 1979 level.

Increased grain and feed prices are expected to continue to put pressure on livestock feed-price ratios. As a result, producers are expected to continue to decrease their production. The U.S.D.A. predicts, however, that livestock prices during the rest of 1980 will be higher than in 1979, and sharp increases are expected in 1981.

Financial Activity

Providing both accurate and adequate Kansas banking data has proved to be a difficult task. Prior to last publishing year, *Kansas Business Review (KBR)* simply republished banking data for Kansas banks provided by the Kansas City Federal Reserve Bank. This data is certainly the most accurate, but it only accounts for the Kansas banks which are part of the Federal Reserve System. As such, it fails to represent the full strength and growth of the Kansas banking system. To compensate for this problem, last year *KBR* used the monthly banking data for member banks and additional data for all Kansas banks generously provided by the Kansas City Federal Reserve Bank to estimate monthly figures for all Kansas banks. This approach increased the scope of the *KBR*'s banking data; however, there remained problems with accuracy. The additional data provided by the Kansas City Federal Reserve Bank were on a quarterly basis, not a monthly basis as the member bank data are, and it was lagged six months. Thus, to have more correct data, it was necessary for *KBR* to estimate the current banking situation using ratios based on the past relationship between member banks' data and all Kansas banks' data.

This year *KBR* has decided take yet a third approach to the problem of Kansas banking data which combines the two previous approaches with an explanation of how the numbers for all Kansas banks are determined. Thus, from this issue forward, *KBR* will carry two tables for Kansas banking: one table will contain the data received from the Kansas City Federal Reserve Banking, and a second table will contain estimates for all Kansas banks based on the data mentioned above.

Our estimating process for the table containing data for all Kansas banks involves taking the monthly data for member banks and the quarterly data for all banks and developing ratios between the two sets of data. The monthly member bank data was averaged on a three-month basis to coincide with the quarterly data. Then the member bank average was divided into the quarterly number for all banks to give the ratio. Initially, four years of data were used (1976 through 1979). The resulting ratios are contained in the following table.

We had planned on averaging the four years of ratios on a seasonal basis; i.e., average the ratios for a particular group of banks, then use the resulting average ratio to estimate the next first-quarter figure for demand deposits. However, a close review of the ratios points to an overwhelming trend: member banks have continuously declined as a proportion of all banks in each of the categories of data for each of the different geographical areas. If average ratios were used, they would seriously underestimate the amount of banking activity and, thus, give an erroneous picture of the Kansas banking situation. Instead, it was decided to use the 1979 ratios with the full knowledge that if this trend continues Kansas banking activity will be underestimated. We felt this approach was preferable to trying to forecast the effects of this trend. *KBR* does not know whether this trend will continue past the expansion part of the business cycle or whether structural changes in banking in the past several years are the cause. We have, therefore, decided to take the middle road and use the 1979 ratios. With this situation in mind, the banking figures for August 1980 can be analyzed.

Kansas banks during August still were recovering from a leap in lending rates resulting from the Federal Reserve Bank's letting interest rates rise early in the year. August loans for all banks statewide were down 2.5 percent from a year ago and down 0.5 percent from July. Sluggish business in the industry also was reflected in the 1.1 percent drop from July in demand deposits, although their rise of 2.7 percent from a year ago was an encouraging sign of recovery. Except in the Kansas City, Kansas area, members of the Federal Reserve System seemed to fair a little better than banks overall. The Kansas City banks, members and nonmembers, suffered a greater drop in lending than banks in the Topeka and Wichita metropolitan areas. The Kansas City banks' overall had a 10.6 percent drop in loans compared with August 1979, and member banks' loans were off 10.9 percent.

Business was looking healthier, however, at the savings and loan associations. Net savings, while off 42.5 percent from July, were up a tremendous 1,522.2 percent over savings of 1979. This increase might be a sign of greater consumer confidence in the economy or of consumers' response to higher interest rates being paid on such S&L deposits as money-market certificates. Mortgage loans, conversely, fell from last year but were up substantially over July. August's $100.4 million of mortgage loans was up 40.0 percent over July but off 16.3 percent from August 1979.

Consumer Prices

The Kansas City consumer price index for the two-month period ending in August 1980 shows an increase of 1.2 percent in the prices for all items. All major items increased in price during this period within a range of 5.7 percent for entertainment to 0.7 percent for transportation. Two increases are of special interest: The 0.9 percent rise in housing costs seems to suggest that the long-term spiraling of prices in this sector is winding down somewhat; the 2.6 percent increase in apparel and upkeep prices suggest that the costs for these items are heating up after a long period of relative stability.

Over the year, prices in Kansas City for all items rose by 11.7 percent. For the first time this year, housing and transportation prices did not lead the increases (at 12.7 percent and 14.1 percent, respectively); rather, entertainment prices experienced the largest increase at 15.7 percent. All other items increased in price as well, ranging from a high of 12.0 percent for medical costs to a low of 1.8 percent for apparel and upkeep.

TABLE I
GENERAL BUSINESS INDICATORS

	July 1980	June 1980	% change	Avg. Prior 6 mos.	Annual Avg. 1979
Manufacturing					
Average Work Week (hrs.)	39.30	40.20	– 2.2	40.00	40.70
Average Weekly Earnings (dollars)	292.00	293.46	– 0.5	287.58	240.99
Initial Claims for					
Unemployment Insurance	13,716.00	17,719.00	– 22.6	15,599.00	8,082.00
New Incorporations					
In-State For Profit	478.00	439.00	8.9	418.00	336.00
Out-of-State For Profit	81.00	90.00	– 10.0	91.00	88.00

Source: Research and Analysis Section
Division of Staff Services
Kansas Department of Human Resources

Kansas Secretary of State

TABLE II
NON-FARM WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

(thousands)

Industry	July 1980	June 1980	% change	July 1979	% change
All Industries	937.8	953.6	– 1.7	941.4	– 0.4
Manufacturing	182.2	183.2	– 0.5	196.5	– 7.3
Durable Goods	117.9	117.7	0.2	128.4	– 8.2
Stone, Clay, Glass	8.6	8.8	– 2.3	9.5	– 9.5
Primary Metals	3.7	4.0	– 7.5	4.3	– 14.0
Fabricated Metal Products	11.1	11.3	– 1.8	14.2	– 21.8
Machinery (incl. elec.)	34.0	35.4	– 4.0	38.1	– 10.8
Transportation Equipment	49.2	46.5	5.8	49.6	– 0.8
Aircraft & Parts	41.1	41.6	– 1.2	43.4	– 5.3
Other Durable Goods	11.3	11.7	– 3.4	12.7	– 11.0
Nondurable Goods	64.3	65.5	– 1.8	68.1	– 5.6
Food & Kindred Products	22.4	22.6	– 0.9	23.2	– 3.4
Meat Products	8.6	8.9	– 3.4	8.7	– 1.1
Apparel	3.3	3.6	– 8.3	3.6	– 8.3
Printing & Publishing	16.7	17.0	– 1.8	17.0	– 1.8
Chemicals	8.6	8.7	– 1.1	8.4	2.4
Petroleum & Coal	4.7	4.6	2.2	4.6	2.2
Other Nondurable	8.6	9.0	– 4.4	11.3	– 23.9
Mining	15.3	15.1	1.3	14.3	7.0
Oil & Gas Extraction	13.0	12.8	1.6	11.7	11.1
Contract Construction	51.5	52.5	– 1.9	56.2	– 8.4
Trans., Comm., Elec., Gas	65.2	65.7	– 0.8	66.4	– 1.8
Wholesale Trade	66.6	66.0	0.9	65.2	2.1
Retail Trade	160.5	161.3	– 0.5	161.6	– 0.7
Finance, Insurance, Real Estate	47.0	47.1	– 0.2	46.6	0.9
Services	174.4	174.9	– 0.3	165.2	5.6
Federal Government	27.9	28.8	– 3.1	26.3	6.1
State & Local Government	147.2	159.0	– 7.4	143.2	2.8

Source: Research and Analysis Section
Division of Staff Services
Kansas Department of Human Resources

TABLE III
EMPLOYMENT—UNEMPLOYMENT DATA FOR KANSAS, STATE AND AREAS

Area	July 1980	June 1980	% change	July 1979	% change
Kansas—Statewide					
Civilian Labor Force	1,233,600	1,250,900	– 1.4	1,230,800	0.2
Employed	1,179,400	1,193,000	– 1.1	1,192,500	– 1.1
Farm	80,300	81,100	– 1.0	82,200	– 2.3
Non-Farm	1,099,100	1,112,000	– 1.2	1,110,300	– 1.0
Unemployed	54,200	57,900	– 6.4	38,300	41.5
Rate	4.4%	4.6%		3.1%	
Lawrence SMSA					
Civilian Labor Force	33,900	34,400	– 1.5	32,200	5.3
Employed	32,400	32,500	– 0.3	31,000	4.5
Farm	1,000	1,000	0.0	1,000	0.0
Non-Farm	31,400	31,500	– 0.3	30,000	4.7
Unemployed	1,500	1,700	– 11.8	1,200	25.0
Rate	4.4%	4.9%		3.7%	
Kansas Portion of Kansas City SMSA					
Civilian Labor Force	275,000	276,700	– 0.6	265,000	3.8
Employed	262,300	262,100	0.1	255,500	2.7
Farm	1,800	1,800	0.0	1,800	0.0
Non-Farm	260,500	260,300	0.1	253,200	2.9
Unemployed	12,700	14,600	– 13.0	10,000	27.0
Rate	4.6%	5.3%		3.8%	
Topeka SMSA					
Civilian Labor Force	97,000	98,400	– 1.4	96,600	0.4
Employed	92,000	93,300	– 1.4	93,100	– 1.2
Farm	2,400	2,400	0.0	2,400	0.0
Non-Farm	89,600	90,900	– 1.4	90,700	– 1.2
Unemployed	5,000	5,100	– 2.0	3,500	42.9
Rate	5.2%	5.2%		3.6%	
Wichita SMSA					
Civilian Labor Force	228,800	230,300	– 0.7	226,200	1.1
Employed	218,600	219,400	– 0.4	220,000	– 0.6
Farm	3,200	3,300	– 3.0	3,300	– 3.0
Non-Farm	215,400	216,100	– 0.3	216,700	– 0.6
Unemployed	10,200	10,900	– 6.4	6,400	59.4
Rate	4.5%	4.7%		2.8%	
Barton Co.—Great Bend Area					
Civilian Labor Force	17,975	18,075	– 0.6	17,775	1.1
Employed	17,400	17,500	– 0.6	17,375	0.1
Farm	1,175	1,200	– 2.1	1,200	– 2.1
Non-Farm	16,225	16,300	– 0.5	16,175	0.3
Unemployed	575	575	0.0	400	43.8
Rate	3.2%	3.2%		2.3%	
Crawford Co.—Pittsburg Area					
Civilian Labor Force	16,600	16,850	– 1.5	16,600	0.0
Employed	15,700	16,025	– 2.0	15,975	– 1.7
Farm	1,075	1,075	0.0	1,100	– 2.3
Non-Farm	14,625	14,950	– 2.2	14,875	– 1.7
Unemployed	900	825	9.1	625	44.0
Rate	5.4%	4.9%		3.8%	
Lyon Co.—Emporia Area					
Civilian Labor Force	17,275	17,575	– 1.7	17,450	– 1.0
Employed	16,600	16,800	– 1.2	17,075	– 2.8
Farm	1,050	1,075	– 2.3	1,075	– 2.3
Non-Farm	15,550	15,825	– 1.7	16,000	– 2.8
Unemployed	675	775	– 12.9	375	80.0
Rate	3.9%	4.4%		2.1%	

TABLE III
EMPLOYMENT—UNEMPLOYMENT DATA FOR KANSAS, STATE AND AREAS (Continued)

Area	July 1980	June 1980	% change	July 1979	% change
Montgomery Co.—Coffeyville Area					
Civilian Labor Force	21,100	21,050	0.2	21,750	– 3.0
Employed	19,725	19,700	0.1	21,200	– 7.0
Farm	750	775	– 3.2	775	– 3.2
Non-Farm	18,975	18,925	0.3	20,425	– 7.1
Unemployed	1,375	1,350	1.9	550	150.0
Rate	6.5%	6.4%		2.5%	
Reno Co.—Hutchinson Area					
Civilian Labor Force	31,700	32,325	– 1.9	32,475	– 2.4
Employed	30,075	30,775	– 2.3	31,675	– 5.1
Farm	1,700	1,700	0.0	1,725	– 1.4
Non-Farm	28,375	29,075	– 2.4	29,950	– 5.3
Unemployed	1,625	1,550	4.8	800	103.1
Rate	5.1%	4.8%		2.5%	
Riley Co.—Manhattan Area					
Civilian Labor Force	20,475	21,175	– 3.3	20,000	2.4
Employed	19,475	20,100	– 3.1	19,375	0.5
Farm	1,350	1,350	0.0	1,375	– 1.8
Non-Farm	18,125	18,750	– 3.3	18,000	0.7
Unemployed	1,000	1,075	– 7.0	625	60.0
Rate	4.9%	5.1%		3.1%	
Saline Co.—Salina Area					
Civilian Labor Force	26,225	26,950	– 2.7	26,975	– 2.8
Employed	24,800	25,475	– 2.6	26,225	– 5.4
Farm	900	900	0.0	925	– 2.7
Non-Farm	23,900	24,575	– 2.7	25,300	– 5.5
Unemployed	1,425	1,475	– 3.4	750	90.0
Rate	5.4%	5.5%		2.8%	

Source: Research and Analysis Section
Division of Staff Services
Kansas Department of Human Resources

TABLE IV
RETAIL SALES SUBJECT TO SALES TAX BY BUSINESS CLASSIFICATION

(millions of dollars)

Business Classification	July * 1980	Apr.* 1980	% change	July* 1979	% change
Apparel	27.8	30.0	– 7.3	25.1	10.8
Automotive	195.0	172.5	13.0	214.8	– 9.2
Food	252.1	218.6	15.3	211.7	19.1
Furniture	42.6	42.2	0.9	39 5	7.8
General Merchandise	146.5	160.9	– 8.9	130.8	12.0
Lumber and Building Materials	85.4	76.9	11.1	85.9	– 0.6
Professional and Personal Service	43.8	37.2	17.7	37.1	18.1
Public Utilities	48.2	44.3	8.8	97.9	– 50.8
Unclassified	111.3	92.7	20.1	96.8	15.0
Farm and Garden Products	0.9	0.9	0.0	0.9	0.0
Manufacturing and Trading	85.8	69.6	23.3	71.9	19.3
Miscellaneous	2.9	2.2	31.8	1.8	61.1
Total	1042.8	948.5	9.9	1014.8	2.8

* Monthly Average for Prior Three Months

Source: Tax Research Section
Kansas Department of Revenue

TABLE V
RETAIL SALES SUBJECT TO SALES TAX BY COUNTY

(thousands of dollars)

County	Sales * July 1980	Sales * Apr. 1980	Change From Apr. 1980 (%)	Sales * July 1979	Change From July 1979 (%)
Allen	4,999	4,976	0.4	5,307	– 5.8
Anderson	2,455	2,132	15.1	2,365	3.8
Atchison	4,664	4,504	3.5	4,733	– 1.4
Barber	2,693	2,455	9.7	2,256	19.4
Barton	27,554	23,971	14.9	21,388	28.8
Bourbon	5,572	5,129	8.6	5,472	1.8
Brown	3,417	3,042	12.3	3,396	0.6
Butler	16,558	13,603	21.7	12,744	29.9
Chase	725	630	15.0	768	– 5.7
Chautauqua	1,213	1,064	14.0	1,071	13.3
Cherokee	4,128	4,058	1.7	4,143	– 0.4
Cheyenne	1,349	1,403	– 3.8	1,253	7.7
Clark	560	602	– 7.1	583	– 4.0
Clay	2,946	3,047	– 3.3	3,121	– 5.6
Cloud	4,577	4,361	5.0	4,318	6.0
Coffey	2,337	2,065	13.2	2,234	4.6
Comanche	678	555	22.1	629	7.9
Cowley	14,141	12,475	13.4	12,490	13.2
Crawford	12,598	11,431	10.2	12,086	4.2
Decatur	1,483	1,446	2.6	1,586	– 6.5
Dickinson	5,749	5,297	8.5	5,807	– 1.0
Doniphan	1,994	1,672	19.2	1,874	6.4
Douglas	22,800	20,733	10.0	21,385	6.6
Edwards	1,089	913	19.3	999	9.0
Elk	622	640	– 2.8	699	– 11.0
Ellis	13,396	11,789	13.6	12,254	9.3
Ellsworth	1,886	1,576	19.7	1,789	5.4
Finney	16,250	14,297	13.7	14,150	14.8
Ford	14,411	13,210	9.1	12,951	11.3
Franklin	6,495	6,393	1.6	6,680	– 2.8
Geary	9,108	7,355	23.8	8,657	5.2
Gove	1,285	1,245	3.2	1,279	0.5
Graham	1,891	1,502	25.9	1,606	17.7
Grant	3,876	3,397	14.1	3,311	17.1
Gray	1,640	1,594	2.9	1,713	– 4.3
Greeley	653	380	71.9	672	– 2.9
Greenwood	3,244	2,380	36.3	2,499	29.8
Hamilton	740	735	0.6	885	– 16.4
Harper	3,116	2,744	13.5	2,742	13.7
Harvey	9,633	9,217	4.5	8,529	12.9
Haskell	1,156	827	39.7	1,083	6.8
Hodgeman	389	343	13.1	435	– 10.6
Jackson	2,122	2,051	3.4	2,365	– 10.3
Jefferson	2,539	3,033	– 16.3	2,761	– 8.1
Jewell	961	711	35.2	976	– 1.5
Johnson	126,711	119,297	6.2	115,627	9.6
Kearny	662	614	7.8	759	– 12.7
Kingman	2,770	2,391	15.9	2,292	20.8
Kiowa	1,524	1,281	18.9	1,176	29.6
Labette	7,575	7,050	7.4	7,727	– 2.0
Lane	886	693	27.9	733	20.9
Leavenworth	11,864	10,489	13.1	11,677	1.6
Lincoln	1,166	826	41.1	1,096	6.4

* Monthly Average for Prior Three Months

TABLE V
RETAIL SALES SUBJECT TO SALES TAX BY COUNTY (Continued)
(thousands of dollars)

County	Sales * July 1980	Sales * Apr. 1980	Change From Apr. 1980 (%)	Sales * July 1979	Change From July 1979 (%)
Linn	1,529	1,682	– 9.0	1,935	– 20.9
Logan	1,736	1,455	19.3	1,668	4.0
Lyon	13,537	12,446	8.8	12,454	8.7
McPherson	10,140	9,011	12.5	9,583	5.8
Marion	3,943	3,311	19.1	3,652	8.0
Marshall	3,816	3,460	10.3	4,250	– 10.2
Meade	1,417	1,276	11.0	1,304	8.6
Miami	5,994	5,521	8.6	5,177	15.8
Mitchell	3,640	3,164	15.1	3,616	0.7
Montgomery	16,035	14,860	7.9	15,164	5.7
Morris	1,601	1,163	37.7	1,413	13.3
Morton	1,565	1,169	33.9	1,137	37.7
Nemaha	3,277	3,138	4.4	3,057	7.2
Neosho	8,254	7,692	7.3	7,132	15.7
Ness	2,129	1,737	22.6	1,459	45.9
Norton	2,232	1,932	15.5	2,163	3.2
Osage	3,256	2,771	17.5	3,205	1.6
Osborne	1,883	1,474	27.7	1,810	4.0
Ottawa	1,149	1,007	14.2	1,279	– 10.1
Pawnee	3,096	2,499	23.9	3,029	2.2
Phillips	2,406	2,293	4.9	2,558	– 5.9
Pottawatomie	4,636	3,867	19.9	4,172	11.1
Pratt	5,567	4,555	22.2	4,572	21.7
Rawlins	891	839	6.1	962	– 7.4
Reno	29,638	27,354	8.3	26,646	11.2
Republic	2,408	2,090	15.3	2,392	0.7
Rice	3,548	2,886	22.9	3,209	10.6
Riley	15,063	14,456	4.2	14,373	4.8
Rooks	4,891	3,318	47.4	3,111	57.2
Rush	1,466	1,205	21.7	1,278	14.8
Russell	5,879	5,139	14.4	4,901	19.9
Saline	27,137	24,934	8.8	25,677	5.7
Scott	2,690	2,325	15.7	2,602	3.4
Sedgwick	202,165	186,021	8.7	179,660	12.5
Seward	12,669	11,288	12.2	11,430	10.8
Shawnee	73,521	67,685	8.6	69,423	5.9
Sheridan	1,349	911	48.1	1,399	– 3.6
Sherman	4,088	3,497	16.9	3,870	5.6
Smith	1,922	1,569	22.5	1,831	5.0
Stafford	2,074	1,485	39.6	1,526	35.9
Stanton	735	543	35.3	662	11.0
Stevens	1,492	1,512	– 1.3	1,426	4.6
Sumner	6,408	5,786	10.7	5,795	10.6
Thomas	4,534	3,917	15.7	4,418	2.6
Trego	1,447	1,097	32.0	1,355	6.8
Wabaunsee	983	842	16.7	1,084	– 9.3
Wallace	590	533	10.7	664	– 11.2
Washington	1,919	1,945	– 1.3	2,085	– 7.9
Wichita	1,355	771	75.8	882	53.5
Wilson	2,767	2,466	12.2	2,732	1.3
Woodson	995	848	17.3	919	8.2
Wyandotte	59,901	54,502	9.9	61,266	– 2.2

Source: Tax Research Section
Kansas Department of Revenue

TABLE VI
PRICES RECEIVED BY KANSAS FARMERS
(dollars)

Items	July 1980	June 1980	% change	July 1979	% change	Annual Avg. 1979
Prices Received by Farmers						
Field Crops						
Wheat (bu.)	3.62	3.48	4.0	3.85	– 6.0	3.49
Corn (bu.)	2.92	2.59	12.7	2.79	4.7	2.48
Sorghum (cwt.)	4.86	4.00	21.5	4.28	13.6	3.75
Hay (ton)	48.00	43.00	11.6	49.00	– 2.0	50.17
Soybeans (bu.)	6.69	5.73	16.8	7.30	– 8.4	6.72
Livestock & Products						
Beef Cattle (cwt.)	64.70	61.60	5.0	67.80	– 4.6	67.82
Calves (cwt.)	70.10	75.00	– 6.5	92.60	– 24.3	87.14
Hogs (cwt.)	40.40	32.60	23.9	38.90	3.9	41.83
Lambs (cwt.)	67.20	65.60	2.4	61.70	8.9	66.18
Sheep (cwt.)	18.50	23.00	– 19.6	31.50	– 41.3	21.15
Milk (cwt.)	12.40	12.40	0.0	11.40	8.8	12.24
Prices Paid by Farmers						
Soybean Meal (cwt.)	11.50	10.50	9.5	13.50	– 14.8	12.33
Bran (cwt.)	8.00	8.10	– 1.2	7.40	8.1	7.55
Beef Conc. (cwt.)	9.80	9.70	1.0	9.50	3.2	9.61
16% Dairy Feed (ton)	167.00	168.00	– 0.6	158.00	5.7	154.50
Hog Conc. (cwt.)	14.00	13.00	7.7	14.00	0.0	13.83
Laying Feed (ton)	184.00	184.00	0.0	187.00	– 1.6	180.75

Source: Kansas Crop and Livestock Reporting Service
Kansas State Board of Agriculture

U.S. Department of Agriculture

TABLE VII
COMMERCIAL BANKING ACTIVITY FOR MEMBER BANKS
(millions of dollars)

	July 1980	June 1980	% change	July 1979	% change
Kansas—Statewide					
Loans	3,519	3,524	– 0.1	3,579	– 1.7
Demand Deposits	2,004	1,934	3.6	2,021	– 0.8
Time & Saving Deposits	3,958	3,906	1.3	3,512	12.7
Loan-to-Deposit Ratio	59.0%	60.3%		64.7%	
Kansas City (Wyandotte)					
Loans	200	201	– 0.5	215	– 7.0
Demand Deposits	110	106	3.8	109	0.9
Time & Saving Deposits	219	220	– 0.5	205	6.8
Loan-to-Deposit Ratio	60.8%	61.7%		68.5%	
Topeka (Shawnee)					
Loans	259	259	0.0	280	– 7.5
Demand Deposits	182	178	2.2	197	– 7.6
Time & Saving Deposits	277	264	4.9	282	– 1.8
Loan-to-Deposit Ratio	56.4%	58.6%		58.5%	
Wichita (Sedgwick)					
Loans	662	659	0.5	700	– 5.4
Demand Deposits	502	490	2.4	465	8.0
Time & Saving Deposits	589	582	1.2	514	14.6
Loan-to-Deposit Ratio	60.7%	61.5%		71.5%	

Source: Research Department
Federal Reserve Bank of Kansas City

TABLE VII-I
COMMERCIAL BANKING ACTIVITY FOR ALL BANKS

(millions of dollars)

	July 1980	June 1980	% change	July 1979	% change
Kansas—Statewide					
Loans	7,884	7,985	– 1.3	8,017	– 1.7
Demand Deposits	3,956	4,027	– 1.8	3,990	– 0.9
Time & Saving Deposits	9,156	9,097	0.6	8,127	12.7
Loan-to-Deposit Ratio	60.1%	60.8%		66.2%	
Kansas City (Wyandotte)					
Loans	518	501	3.4	555	– 6.7
Demand Deposits	237	242	– 2.1	284	– 16.5
Time & Saving Deposits	615	621	– 1.0	578	6.4
Loan-to-Deposit Ratio	60.8%	58.1%		64.4%	
Topeka (Shawnee)					
Loans	473	503	– 6.0	519	– 8.9
Demand Deposits	279	282	– 1.1	304	– 8.2
Time & Saving Deposits	517	517	0.0	526	– 1.7
Loan-to-Deposit Ratio	59.4%	63.0%		62.5%	
Wichita (Sedgwick)					
Loans	1,162	1,166	– 0.3	1,229	– 5.5
Demand Deposits	813	833	– 2.4	755	7.7
Time & Saving Deposits	1,216	1,180	3.1	1,060	14.7
Loan-to-Deposit Ratio	57.3%	57.9%		67.7%	

Source: Research Department
Federal Reserve Bank of Kansas City

Institute for Economic and Business Research

TABLE VIII
SAVINGS AND LOAN ACTIVITY

(thousands of dollars)

	July 1980	June 1980	% change	July 1979	% change
Net New Savings	25,400	5,200	388.5	8,100	213.6
Mortgage Loans Made	71,700	50,200	42.8	115,300	– 37.8

Source: Federal Home Loan Bank of Topeka

TABLE IX
CONSUMER PRICES

Kansas City

Consumer Price Index, August 1980

	All Urban Consumers (CPI-U)			Wage Earners and Clerical Workers (CPI-W)		
		Percent change from			Percent change from	
	INDEX 1967 = 100	2 months ago	1 year ago	INDEX 1967 = 100	2 months ago	1 year ago
ALL ITEMS	250.8	1.2	11.7	249.3	1.2	11.7
Food and Beverages	255.9	1.4	8.8	251.5	1.9	9.5
Food	262.2	1.4	8.9	257.7	1.9	9.5
Food at home	257.4	2.5	10.6	254.7	3.0	11.5
Cereals & bakery products	263.2	0.5	16.2	257.0	1.3	15.8
Meats, poultry, fish & eggs	238.6	5.3	7.7	240.4	5.5	7.5
Dairy products	234.5	-0.2	7.2	234.8	0.6	7.4
Fruits and vegetables	269.4	2.3	13.5	255.7	3.1	15.8
Other foods at home	299.4	1.9	11.3	298.0	2.2	14.2
Food away from home	278.6	-0.8	5.7	269.7	-0.4	5.4
Alcoholic beverages	195.7	1.1	6.8	193.1	1.6	9.0
Housing	266.9	0.9	12.7	264.2	0.9	12.2
Shelter	290.3	0.6	13.0	287.1	0.5	12.7
Rent (residential)	163.6	0.7	9.2	163.6	0.7	9.2
Other rental costs	NA	NA	NA	NA	NA	NA
Homeownership	336.4	0.6	13.8	332.0	0.5	13.3
Fuel & other utilities	271.2	2.2	12.0	273.4	2.2	12.4
Fuels	365.1	2.8	15.2	366.8	2.7	15.6
Fuel oil, coal, & bottled gas*	167.0	0.5	29.9	176.9	0.5	31.7
Gas (piped) & electricity	364.8	2.9	14.5	364.9	2.9	14.5
Household furnishings & oper	203.6	1.0	11.9	199.4	1.0	9.7
Apparel & Upkeep	185.7	2.6	1.8	177.3	1.4	1.7
Men's & boys' apparel	191.8	-1.4	-2.4	193.4	-1.6	-0.3
Women's & girls' apparel	177.7	7.0	4.1	145.8	1.8	-7.0
Footwear	191.1	3.0	-2.1	204.6	7.3	12.7
Transportation	247.2	0.7	14.1	248.3	0.3	13.9
Private transportation	249.1	0.4	13.7	250.5	0.2	13.7
Public transportation	206.9	6.3	25.0	200.9	5.5	21.8
Medical Care	263.4	1.4	12.0	267.9	3.7	13.5
Medical care services	284.7	1.2	12.2	290.3	3.9	13.5
Entertainment	197.9	5.7	15.7	206.9	3.9	19.9
Other Goods & Services	218.8	1.2	9.4	224.9	1.8	9.8
ALL ITEMS (1957-59 = 100)	297.7			295.9		

* June 1978 = 100

TABLE I
GENERAL BUSINESS INDICATORS

	Aug. 1980	July 1980	% change	Avg. Prior 6 mos.	Annual Avg. 1979
Manufacturing					
Average Work Week (hrs.)	40.10	39.30	2.0	39.80	40.70
Average Weekly Earnings (dollars)	294.74	292.00	0.9	288.05	240.99
Initial Claims for					
Unemployment Insurance	15,816.00	13,716.00	15.3	14,336.00	8,082.00
New Incorporations					
In-State For Profit	368.00	478.00	– 23.0	424.00	336.00
Out-of-State For Profit	89.00	81.00	9.9	92.00	88.00

Source: Research and Analysis Section
Division of Staff Services
Kansas Department of Human Resources

Kansas Secretary of State

TABLE II
NON-FARM WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK
(thousands)

Industry	Aug. 1980	July 1980	% change	Aug. 1979	% change
All Industries	933.9	937.8	– 0.4	941.4	– 0.8
Manufacturing	179.8	182.2	– 1.3	196.6	– 8.5
Durable Goods	114.9	117.9	– 2.5	128.6	– 10.7
Stone, Clay, Glass	8.5	8.6	– 1.2	9.5	– 10.5
Primary Metals	3.8	3.7	2.7	4.3	– 11.6
Fabricated Metal Products	11.0	11.1	– 0.9	13.8	– 20.3
Machinery (incl. elec.)	33.5	34.0	– 1.5	37.8	– 11.4
Transportation Equipment	46.5	49.2	– 5.5	50.5	– 7.9
Aircraft & Parts	41.7	41.1	1.5	43.6	– 4.4
Other Durable Goods	11.6	11.3	2.7	12.7	– 8.7
Nondurable Goods	64.9	64.3	0.9	68.0	– 4.6
Food & Kindred Products	22.5	22.4	0.4	23.5	– 4.3
Meat Products	8.4	8.6	– 2.3	9.1	– 7.7
Apparel	4.0	3.3	21.2	3.7	8.1
Printing & Publishing	16.4	16.7	– 1.8	16.7	– 1.8
Chemicals	8.8	8.6	2.3	8.5	3.5
Petroleum & Coal	4.6	4.7	– 2.1	4.5	2.2
Other Nondurable	8.6	8.6	0.0	11.1	– 22.5
Mining	15.6	15.3	2.0	14.5	7.6
Oil & Gas Extraction	13.3	13.0	2.3	12.0	10.8
Contract Construction	51.1	51.5	– 0.8	57.2	– 10.7
Trans., Comm., Elec., Gas	65.1	65.2	– 0.2	66.2	– 1.7
Wholesale Trade	65.8	66.6	– 1.2	64.2	2.5
Retail Trade	161.7	160.5	0.7	162.2	– 0.3
Finance, Insurance, Real Estate	46.9	47.0	– 0.2	46.5	0.9
Services	175.1	174.4	0.4	165.8	5.6
Federal Government	27.3	27.9	– 2.2	26.2	4.2
State & Local Government	145.5	147.2	– 1.2	142.0	2.5

Source: Research and Analysis Section
Division of Staff Services
Kansas Department of Human Resources

TABLE III
EMPLOYMENT—UNEMPLOYMENT DATA FOR KANSAS, STATE AND AREAS

Area	Aug. 1980	July 1980	% change	Aug. 1979	% change
Kansas—Statewide					
Civilian Labor Force	1,219,000	1,233,600	– 1.2	1,214,300	0.4
Employed	1,167,400	1,179,400	– 1.0	1,181,400	– 1.2
Farm	74,400	80,300	– 7.3	76,500	– 2.7
Non-Farm	1,093,000	1,099,100	– 0.6	1,104,900	– 1.1
Unemployed	51,600	54,200	– 4.8	32,900	56.8
Rate	4.2%	4.4%		2.7%	
Lawrence SMSA					
Civilian Labor Force	33,400	33,900	– 1.5	31,800	5.0
Employed	32,000	32,400	– 1.2	30,800	3.9
Farm	900	1,000	– 10.0	1,000	– 10.0
Non-Farm	31,100	31,400	– 1.0	29,800	4.4
Unemployed	1,400	1,500	– 6.7	1,000	40.0
Rate	4.2%	4.4%		3.1%	
Kansas Portion of Kansas City SMSA					
Civilian Labor Force	270,400	275,000	– 1.7	265,300	1.9
Employed	257,500	262,300	– 1.8	255,600	0.7
Farm	1,600	1,800	– 11.1	1,600	0.0
Non-Farm	255,900	260,500	– 1.8	253,900	0.8
Unemployed	12,900	12,700	1.6	9,700	33.0
Rate	4.8%	4.6%		3.7%	
Topeka SMSA					
Civilian Labor Force	95,700	97,000	– 1.3	95,600	0.1
Employed	90,700	92,000	– 1.4	92,400	– 1.8
Farm	2,200	2,400	– 8.3	2,300	– 4.3
Non-Farm	88,500	89,600	– 1.2	90,100	– 1.8
Unemployed	5,000	5,000	0.0	3,100	61.3
Rate	5.2%	5.2%		3.2%	
Wichita SMSA					
Civilian Labor Force	226,000	228,800	– 1.2	224,200	0.8
Employed	216,800	218,600	– 0.8	218,300	– 0.7
Farm	3,000	3,200	– 6.3	3,100	– 3.2
Non-Farm	213,800	215,400	– 0.7	215,200	– 0.7
Unemployed	9,200	10,200	– 9.8	5,900	55.9
Rate	4.1%	4.5%		2.6%	
Barton Co.—Great Bend Area					
Civilian Labor Force	17,675	17,975	– 1.7	17,550	0.7
Employed	17,175	17,400	– 1.3	17,225	– 0.3
Farm	1,100	1,175	– 6.4	1,125	– 2.2
Non-Farm	16,075	16,225	– 0.9	16,100	– 0.2
Unemployed	500	575	– 13.0	325	53.8
Rate	2.8%	3.2%		1.9%	
Crawford Co.—Pittsburg Area					
Civilian Labor Force	16,400	16,600	– 1.2	16,300	0.6
Employed	15,575	15,700	– 0.8	15,675	– 0.6
Farm	1,000	1,075	– 7.0	1,000	0.0
Non-Farm	14,575	14,625	– 0.3	14,675	– 0.7
Unemployed	825	900	– 8.3	625	32.0
Rate	5.0%	5.4%		3.8%	
Lyon Co.—Emporia Area					
Civilian Labor Force	17,000	17,275	– 1.6	17,200	– 1.2
Employed	16,375	16,600	– 1.4	16,800	– 2.5
Farm	975	1,050	– 7.1	1,000	– 2.5
Non-Farm	15,400	15,550	– 1.0	15,800	– 2.5
Unemployed	625	675	– 7.4	400	56.3
Rate	3.7%	3.9%		2.3%	

TABLE III
EMPLOYMENT—UNEMPLOYMENT DATA FOR KANSAS, STATE AND AREAS (Continued)

Area	Aug. 1980	July 1980	% change	Aug. 1979	% change
Montgomery Co.—Coffeyville Area					
Civilian Labor Force	20,925	21,100	– 0.8	21,525	– 2.8
Employed	19,850	19,725	0.6	21,000	– 5.5
Farm	700	750	– 6.7	725	– 3.4
Non-Farm	19,150	18,975	0.9	20,275	– 5.5
Unemployed	1,075	1,375	– 21.8	525	104.8
Rate	5.1%	6.5%		2.4%	
Reno Co.—Hutchinson Area					
Civilian Labor Force	30,650	31,700	– 3.3	32,175	– 4.7
Employed	28,500	30,075	– 5.2	31,450	– 9.4
Farm	1,575	1,700	– 7.4	1,600	– 1.6
Non-Farm	26,925	28,375	– 5.1	29,850	– 9.8
Unemployed	2,150	1,625	32.3	725	196.6
Rate	7.0%	5.1%		2.3%	
Riley Co.—Manhattan Area					
Civilian Labor Force	19,875	20,475	– 2.9	19,550	1.7
Employed	19,000	19,475	– 2.4	19,000	0.0
Farm	1,250	1,350	– 7.4	1,275	– 2.0
Non-Farm	17,750	18,125	– 2.1	17,725	0.1
Unemployed	875	1,000	– 12.5	550	59.1
Rate	4.4%	4.9%		2.8%	
Saline Co.—Salina Area					
Civilian Labor Force	26,000	26,225	– 0.9	26,725	– 2.7
Employed	24,725	24,800	– 0.3	26,025	– 5.0
Farm	825	900	– 8.3	850	– 2.9
Non-Farm	23,900	23,900	0.0	25,175	– 5.1
Unemployed	1,275	1,425	– 10.5	700	82.1
Rate	4.9%	5.4%		2.6%	

Source: Research and Analysis Section
Division of Staff Services
Kansas Department of Human Resources

TABLE IV
RETAIL SALES SUBJECT TO SALES TAX BY BUSINESS CLASSIFICATION

(millions of dollars)

Business Classification	Aug. * 1980	May* 1980	% change	Aug.* 1979	% change
Apparel	27.2	24.2	12.4	25.4	7.1
Automotive	201.1	178.9	12.4	213.6	– 5.9
Food	261.6	217.1	20.5	234.0	11.8
Furniture	42.5	39.5	7.6	40.4	5.2
General Merchandise	154.8	123.3	25.5	136.4	13.5
Lumber and Building Materials	90.0	72.7	23.8	95.0	– 5.3
Professional and Personal Service	45.3	37.5	20.8	38.7	17.1
Public Utilities	45.6	48.6	– 6.2	84.2	– 45.8
Unclassified	113.6	91.4	24.3	101.6	11.8
Farm and Garden Products	0.9	0.8	12.5	0.9	0.0
Manufacturing and Trading	88.2	69.7	26.5	74.3	18.7
Miscellaneous	3.3	2.2	50.0	1.7	94.1
Total	1074.6	906.3	18.6	1046.8	2.7

* Monthly Average for Prior Three Months

Source: Tax Research Section
Kansas Department of Revenue

TABLE V
RETAIL SALES SUBJECT TO SALES TAX BY COUNTY

(thousands of dollars)

County	Sales * Aug. 1980	Sales * May 1980	Change From May 1980 (%)	Sales * Aug. 1979	Change From Aug. 1979 (%)
Allen	5,217	4,476	16.5	5,274	– 1.0
Anderson	2,512	1,938	29.6	2,583	– 2.7
Atchison	4,693	4,101	14.4	4,685	0.2
Barber	2,815	2,488	13.1	2,487	13.2
Barton	28,965	23,106	25.4	22,773	27.2
Bourbon	5,531	4,846	14.1	5,820	– 5.0
Brown	3,611	2,858	26.3	3,678	– 1.8
Butler	18,226	13,238	37.7	14,680	24.2
Chase	762	574	32.7	760	0.2
Chautauqua	1,310	1,047	25.1	1,108	18.2
Cherokee	4,065	3,917	3.8	4,439	– 8.4
Cheyenne	1,544	1,132	36.3	1,379	12.0
Clark	658	568	15.9	628	4.7
Clay	3,073	2,619	17.3	3,462	– 11.2
Cloud	4,741	4,043	17.3	4,449	6.6
Coffey	2,315	2,097	10.4	2,461	– 5.9
Comanche	660	533	23.9	720	– 8.3
Cowley	14,911	11,640	28.1	13,326	11.9
Crawford	12,865	10,809	19.0	12,744	1.0
Decatur	1,773	1,198	48.0	1,636	8.4
Dickinson	5,867	4,889	20.0	6,238	– 5.9
Doniphan	1,945	1,483	31.2	2,115	– 8.1
Douglas	22,951	19,840	15.7	22,565	1.7
Edwards	1,102	958	15.0	1,004	9.7
Elk	660	570	15.9	737	– 10.4
Ellis	14,627	11,110	31.7	12,909	13.3
Ellsworth	2,098	1,540	36.2	1,943	8.0
Finney	17,235	14,244	21.0	15,433	11.7
Ford	15,013	12,256	22.5	14,411	4.2
Franklin	6,869	5,770	19.1	6,913	– 0.6
Geary	9,312	7,169	29.9	9,140	1.9
Gove	1,454	1,218	19.4	1,343	8.3
Graham	1,978	1,415	39.8	1,703	16.2
Grant	3,942	3,286	20.0	3,530	11.7
Gray	1,604	1,517	5.8	1,981	– 19.0
Greeley	754	413	82.5	728	3.5
Greenwood	3,194	2,464	29.6	2,725	17.2
Hamilton	892	679	31.3	918	– 2.9
Harper	3,409	2,481	37.4	3,022	12.8
Harvey	9,775	8,471	15.4	9,361	4.4
Haskell	1,239	799	55.2	1,213	2.2
Hodgeman	412	342	20.5	462	– 10.8
Jackson	2,270	1,901	19.4	2,542	– 10.7
Jefferson	2,738	2,770	– 1.2	3,153	– 13.2
Jewell	972	717	35.6	1,059	– 8.2
Johnson	128,441	110,870	15.8	117,149	9.6
Kearny	680	572	18.8	756	– 10.1
Kingman	2,854	2,273	25.6	2,424	17.7
Kiowa	1,613	1,421	13.5	1,413	14.1
Labette	7,770	6,824	13.9	8,243	– 5.7
Lane	898	587	52.9	792	13.4
Leavenworth	11,909	10,027	18.8	12,480	– 4.6
Lincoln	1,182	832	42.0	1,253	– 5.7

* Monthly Average for Prior Three Months

TABLE V
RETAIL SALES SUBJECT TO SALES TAX BY COUNTY (Continued)
(thousands of dollars)

County	Sales * Aug. 1980	Sales * May 1980	Change From May 1980 (%)	Sales * Aug. 1979	Change From Aug. 1979 (%)
Linn	1,653	1,652	0.0	2,050	– 19.3
Logan	1,877	1,327	41.4	1,874	0.2
Lyon	14,251	12,092	17.9	13,228	7.7
McPherson	10,424	8,821	18.2	9,806	6.3
Marion	4,049	3,189	27.0	3,853	5.1
Marshall	4,012	3,235	24.0	4,192	– 4.3
Meade	1,466	1,358	7.9	1,398	4.9
Miami	6,117	5,178	18.1	5,576	9.7
Mitchell	3,936	3,016	30.5	3,792	3.8
Montgomery	16,328	14,302	14.2	15,338	6.5
Morris	1,643	1,092	50.5	1,527	7.6
Morton	1,717	1,131	51.8	1,067	60.9
Nemaha	3,259	2,918	11.7	3,213	1.4
Neosho	9,125	7,156	27.5	7,341	24.3
Ness	2,338	1,636	42.9	1,735	34.8
Norton	2,479	1,772	39.9	2,253	10.0
Osage	3,339	2,535	31.7	3,197	4.4
Osborne	1,856	1,517	22.4	1,843	0.7
Ottawa	1,258	942	33.5	1,306	– 3.7
Pawnee	3,377	2,373	42.3	3,220	4.9
Phillips	2,518	2,131	18.1	2,660	– 5.3
Pottawatomie	4,825	3,640	32.6	4,615	4.5
Pratt	5,943	4,375	35.8	5,153	15.3
Rawlins	1,047	825	26.8	997	5.0
Reno	30,773	25,039	22.9	28,377	8.4
Republic	2,345	1,955	20.0	2,429	– 3.4
Rice	3,768	2,713	38.9	3,400	10.8
Riley	14,936	13,585	9.9	15,196	– 1.7
Rooks	4,803	3,605	33.2	3,312	45.0
Rush	1,465	1,032	41.9	1,278	14.6
Russell	6,319	4,734	33.5	4,770	32.5
Saline	28,317	24,205	17.0	28,227	0.3
Scott	2,862	2,243	27.6	2,853	0.3
Sedgwick	202,179	180,366	12.1	187,837	7.6
Seward	13,021	10,918	19.3	11,255	15.7
Shawnee	73,069	63,250	15.5	72,476	0.8
Sheridan	1,340	910	47.2	1,360	– 1.4
Sherman	4,366	3,237	34.9	4,293	1.7
Smith	1,971	1,446	36.3	2,065	– 4.6
Stafford	2,210	1,345	64.3	1,678	31.7
Stanton	792	577	37.2	737	7.5
Stevens	1,568	1,416	10.7	1,530	2.5
Sumner	7,079	5,134	37.9	6,393	10.7
Thomas	4,894	3,814	28.3	4,910	– 0.3
Trego	1,621	1,055	53.7	1,432	13.2
Wabaunsee	1,025	765	34.0	1,165	– 12.0
Wallace	659	525	25.6	699	– 5.7
Washington	2,066	1,826	13.1	2,140	– 3.5
Wichita	1,815	763	137.8	962	88.7
Wilson	2,719	2,429	11.9	2,812	– 3.3
Woodson	1,003	819	22.5	1,130	– 11.2
Wyandotte	60,359	52,455	15.1	62,394	– 3.3

Source: Tax Research Section
Kansas Department of Revenue

TABLE VI
PRICES RECEIVED BY KANSAS FARMERS
(dollars)

Items	Aug. 1980	July 1980	% change	Aug. 1979	% change	Annual Avg. 1979
Prices Received by Farmers						
Field Crops						
Wheat (bu.)	3.78	3.62	4.4	3.67	3.0	3.49
Corn (bu.)	3.10	2.92	6.2	2.60	19.2	2.48
Sorghum (cwt.)	5.06	4.86	4.1	4.06	24.6	3.75
Hay (ton)	56.00	48.00	16.7	46.00	21.7	50.17
Soybeans (bu.)	7.24	6.69	8.2	7.05	2.7	6.72
Livestock & Products						
Beef Cattle (cwt.)	65.80	64.70	1.7	67.10	– 1.9	67.82
Calves (cwt.)	75.20	70.10	7.3	90.80	– 17.2	87.14
Hogs (cwt.)	45.60	40.40	12.9	37.00	23.2	41.83
Lambs (cwt.)	66.00	67.20	– 1.8	60.70	8.7	66.18
Sheep (cwt.)	20.10	18.50	8.6	32.00	– 37.2	21.15
Milk (cwt.)	12.40	12.40	0.0	10.60	17.0	12.24
Prices Paid by Farmers						
Soybean Meal (cwt.)	13.00	11.50	13.0	13.00	0.0	12.33
Bran (cwt.)	8.10	8.00	1.3	7.30	11.0	7.55
Beef Conc. (cwt.)	10.50	9.80	7.1	9.80	7.1	9.61
16% Dairy Feed (ton)	175.00	167.00	4.8	158.00	10.8	154.50
Hog Conc. (cwt.)	14.50	14.00	3.6	14.00	3.6	13.83
Laying Feed (ton)	200.00	184.00	8.7	185.00	8.1	180.75

Source: Kansas Crop and Livestock Reporting Service
Kansas State Board of Agriculture

U.S. Department of Agriculture

TABLE VII
COMMERCIAL BANKING ACTIVITY FOR MEMBER BANKS
(millions of dollars)

	Aug. 1980	July 1980	% change	Aug. 1979	% change
Kansas—Statewide					
Loans	3,502	3,519	– 0.5	3,591	– 2.5
Demand Deposits	1,982	2,004	– 1.1	1,929	2.7
Time & Saving Deposits	3,981	3,958	0.6	3,573	11.4
Loan-to-Deposit Ratio	58.7%	59.0%		65.3%	
Kansas City (Wyandotte)					
Loans	196	200	– 2.0	220	– 10.9
Demand Deposits	106	110	– 3.6	105	1.0
Time & Saving Deposits	212	219	– 3.2	199	6.5
Loan-to-Deposit Ratio	61.6%	60.8%		72.4%	
Topeka (Shawnee)					
Loans	266	259	2.7	282	– 5.7
Demand Deposits	175	182	– 3.8	185	– 5.4
Time & Saving Deposits	283	277	2.2	307	– 7.8
Loan-to-Deposit Ratio	58.1%	56.4%		57.3%	
Wichita (Sedgwick)					
Loans	663	662	0.2	699	– 5.2
Demand Deposits	493	502	– 1.8	442	11.5
Time & Saving Deposits	596	589	1.2	520	14.6
Loan-to-Deposit Ratio	60.9%	60.7%		72.7%	

Source: Research Department
Federal Reserve Bank of Kansas City

TABLE VII-I
COMMERCIAL BANKING ACTIVITY FOR ALL BANKS

(millions of dollars)

	Aug. 1980	July 1980	% change	Aug. 1979	% change
Kansas—Statewide					
Loans	7,846	7,884	– 0.5	8,046	– 2.5
Demand Deposits	3,913	3,956	– 1.1	3,842	1.8
Time & Saving Deposits	9,212	9,156	0.6	8,243	11.8
Loan-to-Deposit Ratio	59.8%	60.1%		66.6%	
Kansas City (Wyandotte)					
Loans	507	518	– 2.1	567	– 10.6
Demand Deposits	228	237	– 3.8	242	– 5.8
Time & Saving Deposits	596	615	– 3.1	559	6.6
Loan-to-Deposit Ratio	61.5%	60.8%		70.8%	
Topeka (Shawnee)					
Loans	485	473	2.5	515	– 5.8
Demand Deposits	269	279	– 3.6	288	– 6.6
Time & Saving Deposits	528	517	2.1	562	– 6.0
Loan-to-Deposit Ratio	60.9%	59.4%		60.6%	
Wichita (Sedgwick)					
Loans	1,164	1,162	0.2	1,229	– 5.3
Demand Deposits	798	813	– 1.8	721	10.7
Time & Saving Deposits	1,230	1,216	1.2	1,070	15.0
Loan-to-Deposit Ratio	57.4%	57.3%		68.6%	

Source: Research Department
Federal Reserve Bank of Kansas City

Institute for Economic and Business Research

TABLE VII-II
QUARTERLY RATIOS OF TOTAL KANSAS BANKS TO MEMBER BANKS

(millions of dollars)

	1st	2nd	3rd	4th
STATEWIDE				
Loans				
1976	1.796215	1.839678	1.864238	1.882861
1977	1.888312	2.187793	1.922201	1.940088
1978	1.923427	2.211933	2.190352	2.221253
1979	2.220806	2.266031	2.240531	2.278685
Demand Deposits				
1976	1.858609	1.977520	1.896611	2.132022
1977	1.896408	1.969277	1.954231	2.197830
1978	1.969598	2.044737	1.978114	2.189272
1979	1.967573	2.080997	1.974067	2.237115
Time & Savings Deposits				
1976	2.148808	2.114587	2.140798	2.185557
1977	2.208411	2.238299	2.197339	2.242621
1978	2.257636	2.274504	2.260590	2.324265
1979	2.304284	2.329058	2.314117	2.364599

	1st	2nd	3rd	4th
Sedgwick				
Loans				
1976	1.811083	1.838324	1.803592	1.879607
1977	1.807924	1.838295	1.814878	1.831342
1978	1.813728	1.804323	1.781151	1.788608
1979	1.746064	1.769167	1.755897	1.765922

Demand Deposits				
1976	1.574970	1.789988	1.586840	1.684761
1977	1.496697	1.634932	1.555958	1.770437
1978	1.653023	1.651500	1.623084	1.847020
1979	1.658937	1.702542	1.620152	1.832667
Time & Savings Deposits				
1976	2.017493	1.927920	2.088070	2.150556
1977	2.152093	2.190073	2.065812	2.054410
1978	2.130563	2.152284	2.029284	2.105671
1979	2.025467	2.028245	2.063572	2.063429
	1st	2nd	3rd	4th
Shawnee				
Loans				
1976	1.783334	1.830490	1.787825	1.819797
1977	1.848395	1.865873	1.870492	1.901753
1978	1.900675	1.923701	1.820623	1.873531
1979	1.891324	1.938349	1.824440	1.893872
Demand Deposits				
1976	1.616485	1.574644	1.608285	1.741275
1977	1.425155	1.510257	1.639535	1.695102
1978	1.528645	1.672489	1.496031	1.612386
1979	1.541246	1.582366	1.534771	1.747714
Time & Savings Deposits				
1976	1.853136	1.839168	1.691188	1.890232
1977	2.048385	1.952881	1.805685	1.814664
1978	1.813363	1.907590	1.896574	1.913492
1979	1.891440	1.956872	1.866156	1.954711
	1st	2nd	3rd	4th
Wyandotte				
Loans				
1976	2.004915	2.080335	2.070670	2.085913
1977	2.036484	2.098280	2.066798	2.092895
1978	2.122481	2.221479	2.254932	2.298691
1979	2.407224	2.495798	2.582632	2.559902
Demand Deposits				
1976	1.899318	2.047373	2.002043	2.339605
1977	1.935485	2.099526	2.119259	2.302339
1978	1.994806	2.142586	2.118646	2.443891
1979	1.983284	2.285953	2.153132	2.528600
Time & Savings Deposits				
1976	2.722927	2.392394	2.367784	2.145019
1977	2.431407	2.510420	2.579015	2.610478
1978	2.507104	2.741371	2.719561	2.760674
1979	2.725345	2.824503	2.812765	2.846654

Source: Research Department, Federal Reserve Bank of Kansas City
Institute for Economic and Business Research

TABLE VIII
SAVINGS AND LOAN ACTIVITY

(thousands of dollars)

	Aug. 1980	July 1980	% change	Aug. 1979	% change
Net New Savings	14,600	25,400	– 42.5	900	1522.2
Mortgage Loans Made	100,400	71,700	40.0	119,900	– 16.3

Source: Federal Home Loan Bank of Topeka